


  
**FEDERAL REGISTER**  
 OF THE UNITED STATES  
 1934

VOLUME 16      NUMBER 108

*Washington, Tuesday, June 5, 1951*

### TITLE 3—THE PRESIDENT

#### EXECUTIVE ORDER 10248

TRANSFER OF CERTAIN LANDS FROM THE SACRAMENTO, CALIFORNIA, LAND DISTRICT TO THE LOS ANGELES, CALIFORNIA, LAND DISTRICT

By virtue of the authority vested in me by section 2253 of the Revised Statutes of the United States (43 U. S. C. 127), I hereby transfer the following-described lands from the Sacramento, California, land district to the Los Angeles, California, land district, such transfer to become effective on June 16, 1951:

##### MOUNT DIABLO MERIDIAN

Ts. 1 to 4 S., Rs. 23 to 26 E.  
 Ts. 1 to 12 S., Rs. 27 to 32 E.  
 Ts. 1 to 32 S., R. 33 E.  
 Ts. 2 to 32 S., R. 34 E.  
 Ts. 3 to 32 S., R. 35 E.  
 Ts. 4 to 32 S., R. 36 E.  
 Ts. 5 to 32 S., Rs. 37 and 38 E.  
 T. 20 S., R. 37½ E.  
 Ts. 6 to 32 S., R. 39 E.  
 Ts. 7 to 32 S., R. 40 E.  
 Ts. 8 to 32 S., R. 41 E.  
 Ts. 9 to 32 S., R. 42 E.  
 Ts. 10 to 32 S., R. 43 E.  
 Ts. 11 to 32 S., R. 44 E.  
 Ts. 12 to 32 S., R. 45 E.  
 Ts. 13 to 32 S., R. 46 E.  
 Ts. 17 to 32 S., R. 47 E.

##### SAN BERNARDINO MERIDIAN

Ts. 6 to 10 N., Rs. 21 to 36 W.  
 Ts. 11 and 12 N., Rs. 24 to 36 W.  
 Ts. 12 to 31 N., R. 1 E.  
 Ts. 12 to 30 N., R. 2 E.  
 Ts. 12 to 29 N., R. 3 E.  
 Ts. 12 to 28 N., R. 4 E.  
 Ts. 12 to 27 N., R. 5 E.  
 Ts. 12 to 26 N., R. 6 E.  
 Ts. 12 to 25 N., R. 7 E.  
 Ts. 12 to 24 N., R. 8 E.  
 Ts. 12 to 23 N., R. 9 E.  
 Ts. 12 to 22 N., R. 10 E.  
 Ts. 12 to 21 N., R. 11 E.  
 Ts. 12 to 20 N., R. 12 E.  
 Ts. 16 and 17 N., R. 12½ E.  
 Ts. 12 to 19 N., R. 13 E.  
 Ts. 12 to 18 N., R. 14 E.  
 Ts. 12 to 17 N., R. 15 E.  
 Ts. 12 to 16 N., Rs. 16 and 17 E.  
 Ts. 12 to 15 N., R. 18 E.  
 Ts. 12 to 14 N., R. 19 E.  
 Ts. 12 and 13 N., R. 20 E.  
 T. 12 N., R. 21 E.

HARRY S. TRUMAN

THE WHITE HOUSE,  
*June 2, 1951.*

[F. R. Doc. 51-6560; Filed, June 4, 1951;  
 9:36 a.m.]

### TITLE 4—ACCOUNTS

#### Chapter I—General Accounting Office

[Gen. Regs. 104, Rev.; Supp. 1]

PART 5—CLAIMS FOR PAYMENTS OF AMOUNTS DUE IN THE CASE OF DECEASED OR INCOMPETENT PUBLIC CREDITORS AND CIVILIAN EMPLOYEES OF THE UNITED STATES

MAY 31, 1951.

Part 5 is hereby revised.

Sec.

- 5.1 Securing claim on public creditor's death.
- 5.2 Securing claim on government employee's death.
- 5.3 Securing claim due incompetents.

AUTHORITY: §§ 5.1 to 5.3 issued under secs. 309, 311, 42 Stat. 25, 64 Stat. 396; 31 U. S. C. 49, 52, 5 U. S. C. 61.

§ 5.1 *Securing claim on public creditor's death.* Claims for amounts due on account of individual deceased public creditors of the United States, except military personnel and civilian officers and employees subject to the provisions of the act of August 3, 1950, 64 Stat. 395, will be made on the newly revised form entitled "Claim Against the United States for Amounts Due in the Case of a Deceased Creditor", Standard Form No. 1055—Revised. Claims to be submitted on such form, except as otherwise provided by law, are for direct settlement by the General Accounting Office and will include, among other things, payments due deceased contractors and other public creditors for supplies furnished or services rendered. Claims for payment of Government checks drawn on the Treasurer of the United States or other authorized Government depository to the order of such public creditors, which cannot be paid because of the death of the payee, will also be stated on the newly revised claim form. Such assistance as is deemed necessary may be granted to claimants to insure proper execution and submission of Standard Form No. 1055—Revised.

§ 5.2 *Securing claim on government employee's death.* As soon as practicable after the death of a civilian employee included within the provisions of the act of August 3, 1950, 64 Stat. 395, the agency in which he or she was last employed, upon determining that "unpaid compen-

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# FEDERAL REGISTER

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1949 Edition

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- Title 19: (\$0.30)
- Title 20: (\$0.30)
- Title 26: Parts 170-182 (\$0.50)
- Titles 28-29: (\$0.60)
- Titles 35-37: (\$0.30)
- Titles 40-42: (\$0.35)

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sation" is due the decedent, will request each designated beneficiary, or if no beneficiary was designated, the surviving spouse, to execute a form entitled "Claim of Designated Beneficiary and/or Surviving Spouse for Unpaid Compensation of Deceased Civilian Employee", Standard Form No. 1153. Where there

is no designated beneficiary or a surviving spouse, the person or persons claiming the right to share in the disposition of a deceased civilian employee's "unpaid compensation" will be requested to execute Standard Form No. 1155, Claim for Unpaid Compensation of Deceased Civilian Employee (No Designated Beneficiary or Surviving Spouse). The necessary forms will be furnished claimants by the employing agency which may grant such assistance as it deems necessary to insure their proper execution. All unnegotiated Federal checks drawn to the order of a decedent in payment of compensation as defined in the act, and in the possession of the claimant, should accompany the executed form.

**§ 5.3 Securing claim due incompetents.** Claims for payments due incompetents, except as otherwise provided by law, are for direct settlement by the General Accounting Office. No form is prescribed for use of guardians or committees of estates of incompetents in making claim for sums due from the United States. However, an application setting forth the connection of the incompetent with the United States Government, giving the name of the department, bureau, establishment, or agency, must be submitted by the guardian or committee over his or her signature and address accompanied by a short certificate of the court showing the appointment and qualification of the claimant as guardian or committee. Where the total amount due the estate of the incompetent is small, and no guardian or committee of the estate has been or will be appointed, payment may be made, in the discretion of the Comptroller General, to the person, or persons, having care or custody of the incompetent, or to close relatives who will hold the amount for the use and benefit of the incompetent. Applications for recurring payments need not be accompanied by an additional certificate of the court, but must be supported by a statement that the appointment is still in full force and effect. All Government checks drawn on the Treasurer of the United States or other authorized Government depository to the order of individuals which cannot be paid because of the incompetency of the payee should accompany the claim.

[Gen. Reg. 108, Supp. 3, Rev.]

## PART 7—GOVERNMENT REQUESTS FOR TRANSPORTATION OF PASSENGERS

Paragraph (c) is hereby added to  
§ 7.17.

the same manner as a transportation request, and the Federal department or agency concerned, upon proper verification and annotation of the records, will accept said certificate in lieu of the lost transportation request. Carriers may either purchase Standard Form No. 1158 from the Government Printing Office or may reproduce the form themselves or have it printed by any association of carriers. It is understood that in reproducing the said form outside the Government Printing Office the exact wording as approved by the Comptroller General must be adhered to. The Public Printer has been requested to furnish for the stock of the Superintendent of Documents a supply of Standard Form No. 1158 and the carriers should address inquiries with respect to the cost of the form to the Superintendent of Documents, Government Printing Office, Washington, D. C. If the original transportation request is located after a Certificate in Lieu of Lost U. S. Government Transportation request for Transportation has been issued, the request will be marked "Cancelled—Certificate in Lieu Issued" and forwarded to the administrative office which issued the said request. Further disposition of the canceled transportation request will be in accordance with the provisions of § 7.11.

(Secs. 309, 311, 42 Stat. 25; 31 U. S. C. 49, 52)  
[SEAL] LINDSAY C. WARREN,  
*Comptroller General  
of the United States.*  
[F. R. Doc. 51-6458; Filed, June 4, 1951;  
8:48 a.m.]

## **TITLE 5—ADMINISTRATIVE PERSONNEL**

## **Chapter I—Civil Service Commission**

PART 27—EXCLUSION FROM PROVISIONS OF  
THE FEDERAL EMPLOYEES PAY ACT OF  
1945, AS AMENDED, AND THE CLASSIFI-  
CATION ACT OF 1949, AND ESTABLISHMENT  
OF MAXIMUM STIPENDS FOR POSITIONS IN  
GOVERNMENT HOSPITALS FILLED BY  
STUDENT OR RESIDENT TRAINEES

**DEPARTMENT OF THE ARMY**

1. In accordance with provisions of Public Law 330, 80th Congress, the Commission has approved exclusion from the provisions of the Federal Employees Pay Act of 1945, as amended, and the Classification Act of 1949, as amended, student laboratory technicians at Army Hospitals, and has prescribed a maximum stipend for such positions. Effective May 15, 1951, the fifth paragraph of the list in § 27.1 is amended to read as follows:

**§ 27.1 Exclusion from provisions of  
Federal Employees Pay Act and Classifi-  
cation Act. \* \* \***

Student laboratory technicians, U. S. Public Health Service and Department of the Army, one year approved training after a minimum of two years college level training.

2. Effective May 15, 1951, the list of positions for which maximum stipends have been prescribed in § 27.2 is amended

## RULES AND REGULATIONS

to include student laboratory technicians in the Department of the Army:

**§ 27.2 Maximum stipends prescribed.**

\* \* \*

Student laboratory technicians—U. S. Public Health Service and Department of the Army—1 year approved training, after a minimum of 2 years college level training----- \$900  
 (61 Stat. 727; 5 U. S. C. 1051-1058)

UNITED STATES CIVIL SERVICE COMMISSION,  
 [SEAL] ROBERT RAMSFELD,  
 Chairman.

[F. R. Doc. 51-6442; Filed, June 4, 1951;  
 8:46 a. m.]

## TITLE 7—AGRICULTURE

### Chapter I—Production and Marketing Administration (Standards, Inspections, Marketing Practices), Department of Agriculture

#### PART 54—GRADING AND INSPECTION OF DOMESTIC RABBITS AND EDIBLE PRODUCTS THEREOF AND UNITED STATES SPECIFICATIONS FOR CLASSES, STANDARDS, AND GRADES WITH RESPECT THERETO

##### RULES AND UNITED STATES SPECIFICATIONS

On April 17, 1951, a notice of the proposed issuance of regulations governing the grading and inspection of domestic rabbits and edible products thereof and United States specifications for classes, standards, and grades with respect thereto (7 CFR Part 54) was published in the *FEDERAL REGISTER* (16 F. R. 3349). The regulations hereinafter promulgated as Part 54 of the Code of Federal Regulations are pursuant to authority contained in the Agricultural Marketing Act of 1946 (60 Stat. 1087; 7 U. S. C. 1621 et seq.), and the Department of Agriculture Appropriation Act, 1951 (Pub. Law 759, 81st Cong., approved September 6, 1950), and will supersede the currently effective provisions of Part 70 insofar as applicable to domestic rabbits and edible products thereof.

Interested persons were given an opportunity to submit written views, data, and arguments concerning the proposed regulations which were published in the *FEDERAL REGISTER* under proposed rule making; and the suggestions received have been given consideration. The only changes in these regulations from the superseded provisions of Part 70 are the provisions governing the grading of ready-to-cook domestic rabbits by requiring, as a prerequisite thereto, some form of prescribed inspection for wholesomeness; clarification of some of the definitions and wording of provisions; an increase from \$3.00 to \$3.60 in the hourly rate for rendering grading and inspection service on an intermittent fee basis in order to cover the costs of rendering these services on this basis; and, minor changes in the standards of quality for ready-to-cook domestic rabbits.

Coincident with the issuance of these regulations, there are being issued regulations with respect to the grading and inspection of poultry and edible products

thereof.<sup>1</sup> The latter regulations supersede the provisions of 7 CFR Part 70 insofar as applicable to domestic rabbits and such Part 70 will hereafter concern itself solely with poultry and edible products thereof. In view thereof, it is necessary to issue this Part 54 containing the applicable regulations in connection with domestic rabbits. In order to preclude the development of an interim period between the superseded domestic rabbit regulations and the establishment of Part 54, it is necessary that such Part 54 become effective on July 1, 1951, the effective date of the regulations governing the grading and inspection of poultry. Further, the service presently furnished pursuant to 7 CFR Part 70, originally effective January 1, 1950, with respect to domestic rabbits is confined to one official plant in which the operations are in accordance with 7 CFR Part 54. New applicants for the service will not experience any hardship in receiving the service by virtue of any additional requirements that may be contained in such part. Hence, it is found and determined that a reasonable and sufficient time is afforded within which all interested persons may apply for the service. Good cause, therefore, exists for making this part effective on July 1, 1951.

After consideration of all relevant matters presented, the following rules and specifications are hereby promulgated to become effective July 1, 1951:

##### SUBPART A—RULES GOVERNING THE GRADING AND INSPECTION OF DOMESTIC RABBITS AND EDIBLE PRODUCTS THEREOF

###### DEFINITIONS

Sec. 54.1 Definitions.

###### ADMINISTRATION

54.2 Administration.

###### GENERAL

- 54.3 Grading and inspection services available.
- 54.4 Basis of service.
- 54.5 Performance of services.
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###### INSPECTION

- 54.19 Manner of handling products in an official plant.
- 54.20 Ante-mortem inspection.
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- 54.24 Certification of carcasses.
- 54.25 Reinspection of edible products.

<sup>1</sup> See Part 70 of this chapter, *infra*.

- Sec.  
 54.26 Appeal inspection; how made.  
 54.27 Inspection certificates.

###### GRADING

- 54.28 General.
- 54.29 Live domestic rabbits.
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###### SANITARY REQUIREMENTS

- 54.36 Minimum standards for sanitation, facilities, and operating procedures in official plants.
- 54.37 Authority of Administrator to amend minimum standards for sanitation, facilities, and operating procedures in official plants.

##### SUBPART B—UNITED STATES STANDARDS FOR DOMESTIC RABBITS AND EDIBLE PRODUCTS THEREOF

- 54.101 United States specifications for classes of ready-to-cook domestic rabbits.
- 54.102 United States specifications for standards of quality for individual ready-to-cook domestic rabbits.

AUTHORITY: §§ 54.1 to 54.102 issued under sec. 205, 60 Stat. 1090, Pub. Law 759, 81st Cong., 7 U. S. C. 1624.

##### SUBPART A—GRADING AND INSPECTION OF DOMESTIC RABBITS AND EDIBLE PRODUCTS THEREOF

###### DEFINITIONS

§ 54.1 *Definitions.* Unless the context otherwise requires, the following terms shall have the following meaning:

(a) "Act" means the following provisions of the Agricultural Marketing Act of 1946 (60 Stat. 1087; 7 U. S. C. 1621 et seq.) and of the Department of Agriculture Appropriation Act, 1951 (Pub. Law 759, 81st Cong., approved September 6, 1950), or any other act of Congress conferring like authority:

###### AGRICULTURAL MARKETING ACT OF 1946

\* \* \* to develop and improve standards of quality, condition, quantity, grade, and packaging, and recommend and demonstrate such standards in order to encourage uniformity and consistency in commercial practices \* \* \*

To inspect, certify, and identify the class, quality, quantity, and condition of agricultural products when shipped or received in Interstate Commerce under such rules and regulations as the Secretary of Agriculture may prescribe, including assessment and collection of such fees as will be reasonable and as nearly as may be to cover the cost of the service rendered, to the end that agricultural products may be marketed to the best advantage, that trading may be facilitated, and that consumers may be able to obtain the quality product which they desire, \* \* \*

###### DEPARTMENT OF AGRICULTURE APPROPRIATION ACT, 1951

\* \* \* Market inspection of farm products: For the investigation and certification, in one or more jurisdictions, to shippers and other interested parties of the class, quality, and condition of any agricultural commodity or food product, whether raw, dried, canned, or otherwise processed, and any product containing an agricultural commodity or derivative thereof when offered for interstate shipment or when received at such important

central markets as the Secretary may from time to time designate, or at points which may be conveniently reached therefrom under such rules and regulation as he may prescribe, including payment of such fees as will be reasonable and as nearly as may be to cover the cost for the service rendered.

**Marketing farm products:** For acquiring and diffusing among the people of the United States useful information relative to the needed supplies, standardization, classification, grading, preparation for market, handling, transportation, storage, and marketing of farm and food products, including the demonstration and promotion of the use of uniform standards of classification of American farm and food products throughout the world.

(b) "Acceptable" means suitable for the purpose intended and acceptable to the Administration.

(c) "Administration" means the Production and Marketing Administration of the Department.

(d) "Administrator" means the Administrator of the Production and Marketing Administration of the Department, or any other officer or employee of the Department to whom there has heretofore been delegated, or to whom there may hereafter be delegated, the authority to act in his stead.

(e) "Applicant" means any interested party who requests any inspection service or grading service.

(f) "Carcass" means any domestic rabbit carcass.

(g) "Class" means any subdivision of a product based on essential physical characteristics that differentiate between major groups of the same kind.

(h) "Condition" means any condition, including, but not being limited to, the state of preservation, cleanliness, or soundness of any product and the processing, handling or packaging which may affect such product.

(i) "Condition and wholesomeness" means the condition of any product, its healthfulness and fitness for human food.

(j) "Department" means the United States Department of Agriculture.

(k) "Domestic rabbit grading and inspection service" means the personnel who are engaged in the administration, application, and direction of domestic rabbit grading and inspection programs and services pursuant to the regulations in this part.

(l) "Edible product" means any product other than live domestic rabbits.

(m) "Grader" means any employee of the Department authorized by the Secretary, or any other individual to whom a license has been issued by the Secretary, to investigate and certify, in accordance with the regulations in this part, the class, quality, quantity, and condition of products.

(n) "Grading" or "grading service" means (1) the act whereby a grader determines, according to the regulations in this part, the class, quality, quantity, or condition of any product by examining each unit thereof, or each unit of the representative sample thereof drawn by a grader, and issues a grading certificate with respect thereto; (2) in addition to the foregoing the act whereby the grader identifies, according to the regulations in this part, the graded product; and (3)

any regrading or any appeal grading of a previously graded product.

(o) "Grading certificate" means a statement, either written or printed, issued by a grader, pursuant to the regulations in this part, relative to the class, quality, quantity, or condition of a product.

(p) "Identify" means to apply official identification to products or to containers thereof.

(q) "Inspected and certified" or "certified" means, with respect to any product, that it has undergone an inspection and was found, at the time of such inspection, to be sound, wholesome, and fit for human food.

(r) "Inspection," "inspection service" or "inspection of products for condition and wholesomeness" means any inspection by an inspector to determine, in accordance with the regulations in this part, (1) the condition and wholesomeness of domestic rabbits, or (2) the condition and wholesomeness of any edible product at any stage of the preparation or packaging thereof in the official plant where inspected and certified, or (3) the condition and wholesomeness of any previously inspected and certified product if such product has not lost its identity as an inspected and certified product.

(s) "Inspection certificate" means a statement either written or printed, issued by an inspector, pursuant to the regulations in this part, relative to the condition and wholesomeness of products.

(t) "Inspector" means any person who is licensed by the Secretary to investigate and certify, in accordance with the regulations in this part, the condition and wholesomeness of products. An inspector is an employee of the Department or of a State; he may be a graduate veterinarian or a layman.

(u) "Interested party" means any person financially interested in a transaction involving any inspection or grading.

(v) "National supervisor" means (1) the officer in charge of domestic rabbit inspection service of the Administration, (2) the officer in charge of domestic rabbit grading service of the Administration, and (3) such other officers or employees of the Department who may be so designated by the officer in charge of the domestic rabbit grading and inspection service of the Administration.

(w) "Office of grading" means the office of any grader.

(x) "Official identification" means the symbol represented by a stamp, label, seal, or other device approved by the Administrator and affixed to any product, or to any container thereof, stating that the product was graded or inspected, or both; and the class, quality, or condition of such product as determined by a grader may be indicated.

(y) "Official plant" means one or more buildings or parts thereof, comprising a single plant in which the facilities and methods of operation therein have been approved by the Administrator as suitable and adequate for operation under inspection or grading service and in which inspection or grading is carried on in accordance with the regulations in this part.

(z) "Person" means any individual, partnership, association, business trust,

corporation, or any organized group of persons, whether incorporated or not.

(aa) "Potable water" means water which complies with the U. S. Public Health Service drinking water standards.

(bb) "Product" means ready-to-cook domestic rabbits and, with respect to grading service only, live domestic rabbits.

(cc) "Quality" means the inherent properties of any product which determine its relative degree of excellence.

(dd) "Ready-to-cook domestic rabbit" means any domestic rabbit which has been slaughtered for human food, from which the head, blood, skin, feet, and inedible viscera have been removed, that is ready to cook without need of further processing or any cut-up or disjointed portion of such domestic rabbit.

(ee) "Regional supervisor" means any regional supervisor of the Administration in charge of domestic rabbit grading service or domestic rabbit inspection service in a designated geographical area.

(ff) "Regulations" means the provisions of this entire part and such United States specifications for classes, standards, and grades for products as may be in effect at the time grading or inspection is performed.

(gg) "Secretary" means the Secretary of the Department, or any other officer or employee of the Department to whom there has heretofore been delegated, or to whom there may hereafter be delegated, the authority to act in his stead.

(hh) "State supervisor" means any authorized and designated individual who is in charge of domestic rabbit grading service or domestic rabbit inspection service in a State. A State supervisor of domestic rabbit inspection service shall be a veterinarian and he is either a Federal-State employee or a Federal employee.

(ii) "Station supervisor" means any authorized individual who is designated to supervise domestic rabbit grading service or domestic rabbit inspection service in a large official plant or in a group of several small plants.

#### ADMINISTRATION

**§ 54.2 Administration.** The Administrator shall perform for and under the supervision of the Secretary, such duties as are prescribed in the regulations in this part and as the Secretary may require in the administration of the regulations in this part.

#### GENERAL

**§ 54.3 Grading and inspection services available.** The regulations in this part provide for the following kinds of services; and any one or more of the different services, applicable to official plants, may be rendered in an official plant.

(a) Grading of live domestic rabbits.

(b) Inspection of ready-to-cook domestic rabbits.

(c) Grading of ready-to-cook domestic rabbits.

(1) In an official plant.

(2) At terminal markets and other receiving points other than official plants.

## RULES AND REGULATIONS

**§ 54.4 Basis of service.** (a) Any inspection service in accordance with the regulations in this part shall be for condition and wholesomeness.

(b) Any grading service in accordance with the regulations in this part shall be for class, quality, quantity, or condition or any combination thereof. Grading service with respect to determination of quality of products shall be on the basis of United States specifications for classes, standards, and grades as contained in Subpart B of the regulations in this part. However, grading service may be rendered with respect to products which are bought and sold on the basis of institutional contract specifications and such service, when approved by the Administrator, shall be rendered on the basis of the specifications of such contract.

(c) (1) Only domestic rabbits which are processed in official plants in accordance with the regulations in this part may be graded or inspected; and only domestic rabbits which are inspected pursuant to the regulations in this part or inspected and passed by any other official inspection system acceptable to the Administration may be graded.

(2) All domestic rabbits that are eviscerated in an official plant where inspection service is maintained, shall be inspected for condition and wholesomeness and no uninspected edible products shall be brought into such official plant.

(d) All grading service and all inspection service shall be subject to supervision at all times by the applicable station supervisor, State supervisor, regional supervisor, and national supervisor. Such service shall be rendered where the facilities and conditions are satisfactory for the conduct of the service and the requisite graders and inspectors are available.

**§ 54.5 Performance of services—(a) Licensed graders and inspectors.** (1) Any person who is a Federal or State employee possessing proper qualifications as determined by an examination for competency, and who is to perform grading service or inspection service may be licensed by the Secretary as a grader or an inspector.

(2) Any prospective grader, other than a Federal or State employee, possessing proper qualifications as determined by an examination for competency and who is to perform grading service may be licensed by the Secretary as a grader. However, prior to granting of the license, he shall procure and deliver to the Administration a surety bond, issued by such surety as may be approved by the Administrator, in the amount of \$1,000 for the proper performance of the duties of such licensee under the regulations in this part.

(3) All licenses issued by the Secretary shall be countersigned by the officer in charge of the domestic rabbit grading and inspection service of the Administration or any other designated official of such service.

(b) *Suspension of license or authority; revocation.* Pending final action by the Secretary, the aforesaid officer in charge of the domestic rabbit grading and inspection service may, whenever he deems such action necessary, suspend any li-

cense or authority effective pursuant to the regulations in this part, by giving notice of such suspension to the respective individual involved, accompanied by a statement of the reasons therefor. Within seven days after the receipt of the aforesaid notice and statement of reasons by such individual, he may file an appeal, in writing, with the Secretary supported by any argument or evidence that he may wish to offer as to why his license or authority should not be suspended or revoked. After the expiration of the aforesaid seven-day period and consideration of such argument and evidence, the Secretary will take such action as he deems appropriate with respect to such suspension or revocation. When no appeal is filed within the prescribed seven days the license is revoked.

(c) *Surrender of license.* Each license which is suspended or revoked, or has expired, shall promptly be surrendered by the licensee to his immediate superior. Upon termination of the services of a licensed grader, the licensee shall promptly surrender his license to his immediate superior for cancellation.

(d) *Identification.* Each grader and inspector shall have in his possession at all times, and present upon request while on duty, the means of identification furnished by the Department to such person.

(e) *Financial interest of inspectors and graders.* No inspector shall inspect and no grader shall grade any product in which he is financially interested.

(f) *Political activity.* All graders and inspectors who are employees of the Department are forbidden during the period of their respective appointments or licenses, to take an active part in political management or in political campaigns. Political activity in city, county, State, or national elections, whether primary or regular, or in behalf of any party or candidate, or any measure to be voted upon, is prohibited. This applies to all appointees, including, but not being limited to, temporary and cooperative employees and employees on leave of absence with or without pay. Wilful violation of this section will constitute grounds for dismissal in the case of appointees and revocation of licenses in the case of licensees.

**§ 54.6 Applying for grading service or inspection service—(a) Who may obtain grading service or inspection service.** An application for grading service or inspection service may be made by any interested person, including, but not being limited to, the United States, any State, county, municipality, or common carrier, and any authorized agent of the foregoing.

(b) *How application may be made.* (1) An application for inspection service shall be made in writing and filed with the Administrator.

(2) An application for grading service to be rendered in an official plant shall be made in writing and filed with the Administrator.

(3) An application for any grading service to be rendered other than in an official plant may be made in any office of grading or with any grader at or

nearest the place where the service is desired. Such application may be made orally, in writing, or by telegraph. If the application for grading service is made orally, the office of grading, grader with whom the application is made, or the Administrator may require that the application be confirmed in writing.

(4) Each application for grading service or inspection service shall include such information as may be required by the Administrator in regard to the products and premises where the service is to be rendered.

(c) *Filing of application.* An application for grading service or inspection service shall be regarded as filed only when made pursuant to the regulations in this part.

(d) *Authority of applicant.* Proof of the authority of any person applying for grading service or inspection service may be required at the discretion of the Administrator.

(e) *Application for inspection service or grading service in official plants; approval.* Any person desiring to process and pack products in a plant under grading service or inspection service, or both, must receive approval of such plant as an official plant prior to the rendition of such service. An application for grading service or inspection service to be rendered in an official plant shall be approved according to the following procedure:

(1) *Initial survey.* When application has been filed for grading service or inspection service, as aforesaid, an examination of the plant and premises shall be made by the regional supervisor, or his assistant, and the necessary facilities specified for the service. Appeals with respect to any such specification may be made to the national supervisor.

(2) *Drawings and specifications to be furnished.* Four copies of drawings, consisting of floor plans of space to be included in the official plant, showing the locations of such features as the principal pieces of equipment, floor drains, hand washing facilities, hose connections for clean-up purposes, cardinal points of the compass, and the routes of edible and inedible products through the plant, properly drawn to scale, shall be submitted to the regional supervisor. The official plant shall include toilet and dressing rooms, office space for the inspector and grader, store rooms for supplies used in the operations under inspection or grading, feeding rooms, and all rooms, compartments or passageways where products or any ingredients to be used in the preparation of products under inspection service or grading service will be handled or kept, and may include other rooms or compartments located in the building or buildings comprising the official plant. If rooms or compartments shown on the drawings are not to be included as part of the official plant, this should be clearly indicated thereon. Specifications covering the height of ceilings, types of principal pieces of equipment, character of floors, walls, and ceilings, lighting, ventilation, water supply, and drainage, and such other notations as may be required, shall accompany the drawings. Construction or remodeling of buildings,

facilities, or premises should not be initiated without prior approval of the drawings. Upon approval of drawings and specifications the application for grading service or inspection service may be approved.

(3) *Final survey and plant approval.* Prior to the inauguration of the grading service or inspection service, a final survey of the plant and premises shall be made by the regional supervisor or his assistant to determine if the plant is constructed and facilities are installed in accordance with the approved drawings and the regulations in this part. The plant may be approved only when these requirements have been met, except that conditional approval for a specified limited time may be granted only under emergency conditions of restricted availability of facilities and construction materials, provided practices suitable to the Administrator are employed to effect adequate sanitary conditions in the plant.

(f) *Rejection of application.* Any application for grading service or inspection service may be rejected by the Administrator (1) for noncompliance, by the applicant, with the act or the regulations in this part, or (2) whenever the product involved is owned by, or located on the premises of, a person currently denied the benefits of the act. Each such applicant shall be notified immediately of the reasons for the rejection.

(g) *Withdrawal of application.* Any application for grading or inspection service may be withdrawn by the applicant at any time before the service is performed upon payment, by the applicant, of all expenses incurred by the Administration in connection with such application.

(h) *Order of service.* Grading service or inspection service shall be performed, insofar as practicable, in the order in which application therefor is made except that precedence may be given to any application for an appeal inspection or appeal grading.

(i) *Suspension of plant approval.* (1) Any plant approval given pursuant to the regulations may be suspended for (i) failure to maintain plant and equipment in a satisfactory state of repairs; (ii) the use of operating procedures which are not in accordance with the regulations; or (iii) alterations of buildings, facilities, or equipment which cannot be approved in accordance with the regulations.

(2) During such period of suspension, inspection and grading service shall not be rendered. However, the other provisions of the contract for service will remain in effect unless terminated in accordance with the terms thereof. If the plant facilities or methods of operation are not brought into compliance within a reasonable period of time, to be specified by the Administrator, the contract shall be terminated. Upon termination of any contract providing for inspection or grading service in an official plant pursuant to the regulations, the plant approval shall also become terminated, and all labels, seals, tags or packaging material bearing official identification shall, under the supervision of a

person designated by the Administration, either be destroyed, or the official identification completely obliterated, or sealed in a manner acceptable to the Administration.

§ 54.7 *Fraud or misrepresentation.* Any wilful violation of the regulations in this part, the use of the terms "Government graded," "Federal-State graded," or terms of similar import in the labeling or advertising of any product without stating in conjunction therewith the U. S. grade of the product, or any wilful misrepresentation or deceptive or fraudulent practice found to be made or committed by any person in connection with:

(a) The making or filing of an application for any grading service or inspection service;

(b) The use of any grading certificate or inspection certificate issued pursuant to the regulations in this part, or the use of any official identification;

(c) The use of the terms "United States" or "U. S." in conjunction with the grade of the product;

(d) The use of any of the aforesaid terms or an official identification in the labeling or advertising of any product; or

(e) The use, in connection with any product, of a facsimile form which simulates in whole or in part any official identification; may be deemed sufficient cause for debarring such person from any or all benefits of the act after opportunity for hearing has been accorded him; and, pending investigation and hearing, the Administrator may, without hearing, direct that such person shall be denied the benefits of the act.

§ 54.8 *Interfering with a grader or inspector.* Any further benefits of the act and the regulations in this part may be denied any applicant who either personally or through an agent or representative interferes with or obstructs, by intimidation, threats, ridicule, or assault, or in any other manner, a grader or inspector in the performance of his official duties.

§ 54.9 *Other applicable regulations.* Compliance with the regulations in this part shall not excuse failure to comply with any other applicable Federal, State, or municipal laws or regulations.

§ 54.10 *Publications.* Publications under the act and the regulations in this part shall be made in the FEDERAL REGISTER, the Service and Regulatory Announcements of the Department, and such other media as the Administrator may approve for the purpose.

§ 54.11 *Identifying and marking products—(a) Approval of official identification.* (1) Any label or packaging material which bears any official identification shall be used only in such manner as the Administrator may prescribe. No label or packaging material bearing official identification may be used unless finished copies or samples of such labels and packaging material have been approved by the Administrator. No label bearing official identification shall be printed for use until the printer's final proof has been approved by the Administrator; and no label, other than labels

for shipping containers or containers for institutional packs, bearing any official identification shall be used until finished copies or samples of such labels have been approved by the Administrator. Final approval may be given to printer's final proof or photostatic copies of labels for shipping containers or containers for institutional packs, and no such labels shall be used until such proofs or copies have been approved by the Administrator. A label which bears official identification shall not bear any statement that is false or misleading, and if labels in the name of the same packer or distributor, or bearing the same brand name, are used on the same or similar products which are prepared from products which are not inspected, the diameter of the inspection mark, or combination inspection and grading mark, used on labels for inspected products shall be equal to at least one-tenth of the length of the label, plus at least one-tenth of the width of the label. If the labeling is printed or otherwise applied directly to the container, the principal display panel of such container shall, for this purpose, be considered as the label.

(2) Any present supply of labels approved, pursuant to the applicable provisions of Part 70 of this chapter, prior to the effective time of the regulations in this part may continue to be used until such present supply is exhausted.

(b) *Products that may be individually grade marked; information required on grade mark.* Only ready-to-cook domestic rabbits which are of A Quality or B Quality may be individually identified with a grade mark. Except as otherwise authorized each grade mark which is to be used shall conspicuously indicate the U. S. grade and class of the product it identifies and shall include one of the following phrases: "Federal-State Graded," or "Government Graded," or a phrase of similar import. Such grade mark shall be contained within the outline of a shield of such design as may be prescribed or approved by the Administrator.

(c) *Use of grade mark and inspection mark with respect to the same product.* The Administrator is authorized to prescribe and approve the form of the grade mark and inspection mark that may be used individually or in combination with respect to the same product.

(d) *Marking inspected products—(1) Wording and form of the inspection mark.* Except as otherwise authorized the inspection mark permitted to be used with respect to inspected and certified edible products shall include wording as follows: "Inspected for wholesomeness by U. S. Department of Agriculture." This wording, in such form as the Administrator may prescribe or approve, shall be contained within a circle. The Administrator may approve the use of abbreviations of such inspection mark; and such approved abbreviations shall have the same force and effect as the inspection mark. The inspection mark or approved abbreviation thereof, as the case may be, may be applied to the inspected and certified edible product or to the packaging material of such product. The inspection mark, or the approved abbreviation thereof, shall, when used on

## RULES AND REGULATIONS

packaging material, be printed on such material or on a label to be affixed to the packaging material, and the name of the packer or distributor of such product must be legibly printed on the packaging material or label, as the case may be.

(2) *Wording on labels.* Each trade label to be approved for use pursuant to this section with respect to any inspected and certified edible product shall bear the true name of the edible product, the name and address of the packer or distributor thereof, and in prominent letters and figures of uniform size, the inspection mark, as aforesaid; and the label shall also bear, in such manner as may be prescribed or approved by the Administrator, the plant number, if any, of the official plant in which such product was inspected and certified.

(3) *Labels in foreign languages.* Any trade label to be affixed to a container of any edible products for foreign commerce may be printed in a foreign language. However, the inspection mark shall appear on the label in English, but, in addition, may be literally translated into such foreign language. Each such trade label which is to be printed in a foreign language must be approved pursuant to this section.

(4) *Use of approved labels.* Trade labels approved for use pursuant to this section shall be used only for the purpose for which approved.

**§ 54.12 Supervision of marking and packaging—(a) Evidence of label approval.** No grader or inspector shall authorize the use of official identification for any graded or inspected product unless he has on file evidence that such official identification or packaging material bearing such official identification has been approved in accordance with the provisions of § 54.11.

(b) *Affixing of official identification.* (1) No official identification or any abbreviation, copy or representation thereof may be affixed to or placed on or caused to be affixed to or placed on any product or container thereof except by a grader or an inspector or under the supervision of a grader or an inspector or other person authorized by the Administrator. All such products shall have been inspected and certified, or graded, or both. The grader or inspector shall have supervision over the use and handling of all material bearing any official identification.

(2) Each container of inspected and certified edible products to be shipped from one official plant to another official plant for further processing shall be marked for identification and shall show the following information:

- (i) The name of the inspected and certified edible products in the container;
- (ii) The name and address of the packer or distributor of such product;
- (iii) The net weight of the container;
- (iv) The inspection mark permitted to be used pursuant to the regulations in this part, unless the containers are sealed or otherwise identified in such manner as may be approved by the Administrator; and

(v) The plant number of the official plant where the products were packed.

(c) *Packaging.* No container which bears or may bear any official identification or any abbreviation or copy or representation thereof may be filled in whole or in part except with edible products which were inspected and certified or graded or both and are at the time of such filling, sound, wholesome and fit for human food. All such filling of containers shall be under the supervision of an inspector or grader.

**§ 54.13 Retention labels.** An inspector or grader may use such labels, devices and methods as may be approved by the Administrator for the identification (a) of products which are held for further examination, and (b) all equipment and utensils which are to be held for proper cleaning.

**§ 54.14 Prerequisites to grading and inspection.** Grading and inspection of products shall be rendered pursuant to the regulations in this part and under such conditions and in accordance with such methods as may be prescribed or approved by the Administrator.

**§ 54.15 Accessibility of products.** Each product for which grading service or inspection service is requested shall be so arranged so as to permit adequate determination of its class, quality, quantity, and condition as the circumstances may warrant.

**§ 54.16 Time of grading or inspection in an official plant.** The grader or inspector who is to perform the grading or inspection in an official plant shall be informed, in advance, by the applicant of the hours when such grading or inspection is desired. Graders and inspectors shall have access at all times to every part of any official plant to which they are assigned.

**§ 54.17 Report of inspection work and grading work.** Reports of the work of inspection and grading carried on within official plants shall be forwarded to the Administrator by the inspector and grader in such manner as may be specified by the Administrator.

(a) *Information to be furnished to inspectors and graders.* When inspection service or grading service is performed within an official plant, the applicant for such inspection or grading shall furnish to the inspector or grader rendering such service such information as may be required for the purposes of this section.

(b) *Reports of violations.* Each inspector and each grader shall report, in the manner prescribed by the Administrator, all violations of and noncompliance with the act and the regulations in this part of which he has knowledge.

**§ 54.18 Fees and charges—(a) Payment of fees and charges.** (1) Fees and charges for any grading or inspection shall be paid by the applicant for the service in accordance with the applicable provisions of this section and, if so required by the Administrator, such fees and charges shall be paid in advance.

(2) Fees and charges for any grading or inspection performed by any grader or inspector who is a salaried employee of the Department shall, unless otherwise required pursuant to subparagraph (3) of this paragraph, be paid by check, draft, or money order payable to the Treasurer of the United States and remitted promptly to the Administration.

(3) Fees and charges for any grading or inspection pursuant to a cooperative agreement with any State or person shall be paid in accordance with the terms of such cooperative agreement.

(b) *Grading service on a fee basis.*

(1) Unless otherwise provided in this part the fees to be charged and collected for any grading service (other than for an appeal grading) on a fee basis shall be based on the applicable rates specified in paragraph (d) of this section.

(2) In the event the aforesaid applicable rates specified in paragraph (d) of this section are deemed by the Administrator to be inadequate fully to reimburse the Administration for all costs and other items paid or incurred by the Administration in connection with such service, the fees for such service shall not be based on the rates specified in paragraph (d) of this section, but shall be based on the time required to perform such service and the travel of each grader at the rate of \$3.60 per hour for the time actually required.

(3) If an applicant requests that any grading service be performed on a holiday or a non-work day, he may be charged for such service at a rate one and one-half times the rate which would otherwise be applicable for such service if performed on a day other than on a holiday or non-work day.

(c) *Fees for appeal grading.* The fees to be charged for any appeal grading shall be double the fee specified in the grading certificate from which the appeal is taken: *Provided*, That the fee for any appeal grading requested by the United States, or any agency or instrumentality thereof, shall not be more than that set forth in the grading certificate from which the appeal is taken. If the fee on the certificate from which the appeal is taken is based on a contract, then the fee for such appeal grading shall be double the amount specified in paragraph (d) of this section for the applicable volume of product appeal graded. If the result of any appeal grading discloses that a material error was made in the grading appealed from, no fee shall be required.

(d) *Domestic rabbits grading fees.* For each grading of any lot of domestic rabbits, whether live or ready-to-cook, the following fees shall be applicable:

For 500 pounds or less	\$1.50
For 501 to 1,500 pounds, inclusive	2.25
For 1,501 to 3,000 pounds, inclusive	3.00
For 3,001 to 6,000 pounds, inclusive	4.00
For 6,001 to 10,000 pounds, inclusive	6.00
For 10,001 to 20,000 pounds, inclusive	10.00
For each additional 10,000 pounds, or fraction thereof, in excess of \$20,000 pounds	3.00

(e) *Inspection service on a fee basis.* Fees to be charged and collected for inspection services furnished on a fee basis shall be based on the time required to

render such services including, but not being limited to, the time required for the travel of the inspector or inspectors in connection therewith, at the rate of \$3.60 per hour for each inspector for the time actually required.

(f) *Fees for additional copies of grading certificates and inspection certificates.* Additional copies other than those provided for in § 54.27 and § 54.32 of any grading certificates or inspection certificates, may be supplied to any interested party upon payment of a fee of \$1.00 for each set of five or fewer copies.

(g) *Traveling expenses and other charges.* Charges may be made to cover the cost of traveling and other expenses incurred by the Administration in connection with the performance of any grading service or inspection service.

(h) *On a contract basis.* Fees to be charged and collected for any grading service or inspection service, other than for an appeal grading, on a contract basis shall be those provided for in such contract. The fees to be charged for any appeal grading shall be as provided in paragraph (c) of this section.

(i) *Fees for grading service or inspection service performed under cooperative agreement.* The fees to be charged and collected for any grading service or inspection service performed under cooperative agreement shall be those provided for by such agreement.

(j) *Disposition of fees for inspection made under cooperative agreement.* Fees for inspection under a cooperative agreement with any State or person shall be disposed of in accordance with the terms of such agreement. Such portion of the fees collected under a cooperative agreement as may be due the United States shall be remitted to the Administration.

#### INSPECTION

§ 54.19 *Manner of handling products in an official plant.* Unless otherwise specified in the regulations in this part by the Administrator, products which are to be further processed under inspection in an official plant shall be prepared and handled in such official plant under the supervision of an inspector.

§ 54.20 *Ante-mortem inspection.* Ante-mortem examination of domestic rabbits is required as a prerequisite to any inspection; and such ante-mortem examination shall be carried out under such conditions and in accordance with such methods as may be prescribed or approved by the Administrator.

§ 54.21 *Evisceration.* No viscera or any part thereof shall be removed from any domestic rabbits which are to be processed under inspection in any official plant, except at the time of evisceration and inspection. Each carcass to be eviscerated shall be opened so as to expose the organs and the body cavity for proper examination by the inspector and shall be prepared immediately after inspection as ready-to-cook domestic rabbit.

§ 54.22 *Carcasses held for further examination.* Each carcass, including all parts thereof, in which there is any lesion of disease, or other condition, which might render such carcass or any part

thereof unfit for human food, and with respect to which a final decision cannot be made on first examination by the inspector, shall be held for further examination. The identity of each such carcass, including all parts thereof, shall be maintained until a final examination has been completed.

§ 54.23 *Condemnation and treatment of carcasses.* Each carcass, or any part thereof, which is found to be unsound, unwholesome, or otherwise unfit for human food shall be condemned by the inspector and shall receive such treatment, under the supervision of the inspector as will prevent its use for human food and preclude dissemination of disease through consumption by animals.

§ 54.24 *Certification of carcasses.* Each carcass and all parts and organs thereof which are found by the inspector to be sound, wholesome, and fit for human food shall be certified as provided in this part.

§ 54.25 *Reinspection of edible products.* (a) Any inspected and certified edible product may be brought into an official plant only if the container of such product is marked for identification in the manner prescribed in § 54.12 (b) (2) and the product is reinspected by an inspector at the time it is brought into such plant. Upon reinspection, if any such product or portion thereof is found to be unsound, unwholesome, or otherwise unfit for human food, such product, or portion thereof, shall be condemned and shall receive such treatment as that provided in § 54.23.

(b) Any product which is prepared under inspection in an official plant shall be inspected in such plant as often as the inspector deems it necessary in order to ascertain whether such product is sound, wholesome, and fit for human food at the time such product leaves such plant. Upon any such inspection, if any such product or portion thereof is found to be unsound, unwholesome, or otherwise unfit for human food, such product or portion thereof shall be condemned and shall receive such treatment as that provided in § 54.23.

(c) All substances and ingredients used in the manufacture or preparation of any edible product shall be clean, sound, wholesome, and fit for human food.

§ 54.26 *Appeal inspection; how made.* Any interested party may, if dissatisfied with any decision of an inspector relating to any inspection, file an appeal from such decision. Any such appeal from a decision of an inspector shall be made to his immediate superior having jurisdiction over the subject matter of the appeal. Review of such appeal findings, when requested, shall be made by the immediate superior of the employee of the Department making the appeal inspection.

§ 54.27 *Inspection certificates—(a) Forms of inspection certificates.* Each inspection certificate issued pursuant to the regulations in this part shall be approved by the Administrator as to form, and:

(1) Each domestic rabbit inspection certificate shall show the class or classes

of domestic rabbits, the quantity of product contained in the respective lot, and all pertinent information concerning the condition and wholesomeness thereof;

(2) Each food product inspection certificate shall show the names of the edible products covered by such certificate, the quantity of each such product, such shipping marks as are necessary to identify such products, and all pertinent information concerning the condition and wholesomeness thereof;

(3) Each export certificate shall show the respective names of the exporter and the consignee, the destination, the shipping marks, the numbers of the export stamps attached to the edible products to be exported and covered by the certificate, and the names of such products and the total net weight thereof.

(b) *Issuance and disposition of domestic rabbits inspection certificates.*

(1) Upon the request of an interested party, any inspector is authorized to issue a domestic rabbit inspection certificate with respect to any lot of dressed domestic rabbits inspected by him. Each certificate shall be signed by the inspector who made the inspection covered by the certificate, and if more than one inspector participated in the inspection of the lot of domestic rabbits, each such inspector shall sign the certificate with respect to such lot.

(2) The original of each inspection certificate, issued pursuant to this section, and not to exceed three copies thereof, shall, immediately upon issuance, be delivered or mailed to the applicant or person designated by him. One copy shall be filed in the office of the regional supervisor serving the area in which the inspection was performed, and the remaining copies to be disposed of in such manner as the Administrator may approve. Additional copies of any such certificate may be furnished to any interested party as provided in § 54.18.

(c) *Food product inspection certificates; issuance and disposition.* (1) Upon the request of an interested party, any inspector is authorized to issue a food product inspection certificate with respect to any inspected and certified edible product after suitable examination of the product has been made by the inspector.

(2) The original of each food product inspection certificate, and not to exceed two copies thereof, if requested, shall, immediately upon issuance, be delivered or mailed to the applicant or person designated by him. Another copy shall be filed in the office of the regional supervisor serving the area in which such certificate was issued, and one copy shall be forwarded to the Administrator. The last named two copies shall be retained until otherwise ordered by the Administrator.

(d) *Export certificates; issuance and disposition.* (1) Upon the request of an exporter, any inspector is authorized to issue an export certificate with respect to the shipment to any foreign country of any inspected and certified edible product after suitable examination of the product has been made by the inspector.

(2) Each export certificate shall be issued in quintuplicate; the original shall be delivered to the exporter who re-

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quested such certificate; and the duplicate copy shall be delivered to the agent of the railroad or other carrier transporting such products from the United States. The triplicate copy of such export certificate shall be forwarded to the Administrator; the quadruplicate copy shall be filed in the office of the regional supervisor serving the area in which such export certificate was issued and the memorandum copy shall be retained by the inspector for filing. The last named three copies shall be retained until otherwise ordered by the Administrator.

(e) *Advance information.* Upon the request of an applicant, all or part of the contents of any inspection certificate issued to such applicant may be telephoned or telegraphed to him, or to any person designated by him, at his expense.

## GRADING

§ 54.28 *General.* Grading service performed with respect to any quantity of products shall, as the case may require, be on the basis of an examination, pursuant to the regulations in this part, of each unit thereof or of each unit in the representative sample thereof drawn by a grader. Whenever the grading service is performed on a representative sample basis, such sample shall be drawn and consist of not less than the minimum number of containers as indicated in the following table:

[Minimum number of containers comprising a representative sample]

Containers in lot:	Containers in sample
3 containers, or less	( <sup>1</sup> )
4 to 10, inclusive	3
11 to 20, inclusive	4
21 to 50, inclusive	7
51 to 100, inclusive	10
In excess of 100 containers	( <sup>2</sup> )

\* All containers.

<sup>10</sup> percent of the number of containers in the lot.

§ 54.29 *Live domestic rabbits.* Grading service performed with respect to any quantity of live domestic rabbits shall, as the case may require, be on the basis of an examination, pursuant to regulations in this part, of each unit thereof or of each unit in the representative sample thereof drawn by a grader. Such domestic rabbits may be identified with official identification on a lot basis only.

§ 54.30 *Ready-to-cook domestic rabbits—(a) In an official plant.* Grading service performed in an official plant with respect to ready-to-cook domestic rabbits shall, as the case may require, be on the basis of each individual carcass or on a representative sample basis.

(1) Only such ready-to-cook domestic rabbits which have been inspected and certified, pursuant to the regulations in this part, or have been inspected and passed by any other official inspection system which is acceptable to the Administrator, may be graded.

(2) Only such ready-to-cook domestic rabbits which were graded on an individual carcass basis and are of A Quality or B Quality may be individually identified with the appropriate grade mark, and any container of such ready-to-cook domestic rabbits may also be so identi-

fied. The grading of ready-to-cook domestic rabbits shall be performed prior to the disjointing or cutting up of the respective carcass.

(3) If the ready-to-cook domestic rabbits are of C Quality only the bulk container of such ready-to-cook domestic rabbits may be identified with the appropriate grade mark even though the grading may have been performed on an individual carcass basis.

(b) *At terminal markets and other receiving points.* Grading service performed with respect to ready-to-cook domestic rabbits at terminal markets and other receiving points may be on a representative sample basis. Only such ready-to-cook domestic rabbits which were processed in an official plant and are graded on an individual carcass basis may be individually identified with a grade mark. Only ready-to-cook domestic rabbits which were inspected and certified and are marked with the inspection mark or in accordance with the provisions of § 54.12 (b) (2) may be graded.

§ 54.31 *Basis of acceptability of other official inspection systems—(a) General.* Any domestic rabbit inspection system may be deemed to be acceptable to the Administrator which (1) is conducted under the authority of laws, ordinances, or similar enactments of the State, county, city, or other political subdivision in which is located the official plant at which the ready-to-cook domestic rabbits are prepared and submitted for grading service; and (2) imposes at least the requirements set forth in paragraph (b) of this section: *Provided,* That no such inspection shall be deemed acceptable to the Administrator with respect to any official plant in which ready-to-cook domestic rabbits are prepared if he finds at any time that such requirements are not adequately enforced.

(b) *Requirements as to manner of inspection.* (1) The inspection shall be conducted by an inspector who is a qualified veterinarian or under the supervision of a qualified veterinarian. All such inspectors shall be employed by the State, county, city, or other political subdivision in which the official plant is located.

(2) The inspection shall include post-mortem examination of each domestic rabbit carcass during the evisceration operation.

(3) All carcasses which show evidence of disease or any other condition which may render them unwholesome or unfit for food shall be condemned and shall be destroyed for food purposes under the supervision of an inspector. Each carcass and part thereof which has been inspected and passed or containers of carcasses or parts thereof shall bear the identifying inspection symbol of the other official inspection system and the marking devices or labels shall be in the custody of the inspector at all times.

(c) *Determining compliance with paragraph (b) of this section.* A qualified veterinary supervisor of the domestic rabbit grading service of the Administration shall investigate the manner of operation of the inspection system to determine the adequacy of the post-

mortem examination and the compliance with the requirements contained in this section prior to approving the official plant for the grading of ready-to-cook domestic rabbits. This supervisor as well as any official graders who may be stationed in the official plant shall periodically observe the inspection operations in the official plant to determine that the requirements of this section are being met. If at any time the inspector fails to enforce the requirements as set forth in the inspection system, grading service may be withdrawn from the official plant.

§ 54.32 *Grading certificates—(a) Forms.* Grading certificates (including appeal grading certificates and regrading certificates) shall be issued on forms approved by the Administrator.

(b) *Issuance and disposition.* (1) Each grader shall issue a grading certificate covering each product graded.

(2) The original of each grading certificate, issued pursuant to this section, and not to exceed three of the copies thereof, shall, immediately upon issuance, be delivered or mailed to the applicant or person designated by him. One copy shall be filed in the office of grading serving the area in which the grading service was performed, and the remaining copies shall be disposed of in such manner as the Administrator may approve. Additional copies of any such certificate may be furnished to any interested party as provided in § 54.18 (f).

(c) *Advance information.* Upon the request of an applicant, all or part of the contents of any grading certificate issued to such applicant may be telephoned or telegraphed to him, or to any person designated by him, at his expense.

§ 54.33 *Application for regrading of a graded product; regrading certificates—(a) Application for regrading of a graded product.* An application for a regrading of any previously graded product may be made at any time by any interested party, and such application shall clearly state the reasons for requesting the regrading. The provisions of the regulations relative to grading service shall apply to regrading service.

(b) *Regrading certificates.* Immediately after a regrading has been completed, a regrading certificate shall be issued showing the results of such regrading; and such certificate shall thereupon supersede, as of the time of issuance of the regrading certificate, the grading certificate previously issued for the product involved. Each regrading certificate shall clearly set forth the number and date of the grading certificate which it supersedes. The provisions of § 54.32 shall, whenever applicable, also apply to regrading certificates except that copies of such regrading certificates shall be furnished each interested party of record.

§ 54.34 *Appeal grading—(a) Application for appeal grading.* An application for an appeal grading may be made by any interested party who is dissatisfied with any determination stated in any grading certificate only if the identity of the product, or representative sample of thereof, on the basis of which a determination was made has not been lost, and

such application for the appeal grading is made within two days following the day on which the grading was performed. Upon approval by the Administrator, the time within which an application for an appeal grading may be made may be extended.

(b) *How to obtain appeal grading.* Appeal grading may be obtained by filing a request therefor (1) with the Administrator, (2) with the grader who issued the grading certificate with respect to which the appeal grading is requested, (3) with the immediate superior of such grader, or (4) with the officer in charge of any office of grading. The application for appeal grading shall clearly state the reasons therefor and may be accompanied by a copy of the aforesaid grading certificate or any other information the applicant may have secured regarding the product, at the time of grading, from which the appeal is requested. Such application may be made orally (in person or by telephone), in writing, or by telegraph. If made orally, written confirmation may be required.

(c) *Record of filing time.* A record showing the date and hour when each such application for appeal grading is received shall be maintained in such manner as the Administrator may prescribe.

(d) *When an application for an appeal grading may be refused.* Notwithstanding the provisions of paragraph (a) of this section, if it appears to the Administrator that the reasons for an appeal grading are frivolous or not substantial, or that the quality or condition of the products has undergone a material change since the grading from which the appeal is made, or the identical products that were examined to ascertain the grade thereof cannot be made accessible for reexamination, or the act or regulations in this part have not been complied with, the Administrator may refuse the applicant's request for the appeal grading, and such applicant shall be promptly notified of the reason for such refusal.

(e) *When an application for appeal grading may be withdrawn.* An application for appeal grading may be withdrawn by the applicant at any time before the appeal grading is made upon payment, by the applicant, of all expenses incurred by the Administration in connection with such application.

(f) *Who shall perform the appeal grading.* An appeal grading of any graded product shall be made by any grader (other than the one from whose grading the appeal is made) designated for this purpose by the Administrator; and, whenever practical, such appeal grading shall be conducted jointly by two such graders.

(g) *Appeal grading by immediate superior.* Notwithstanding the provisions of this section, whenever the immediate superior of a grader has evidence that such grader incorrectly graded a product, such superior shall immediately make a regrading of the product.

(h) *Order of performance of appeal gradings.* Appeal gradings shall be performed, insofar as practical, in the or-

der in which applications therefor are received; but any such application may be given precedence pursuant to § 54.6.

(i) *Appeal grading certificates.* Immediately after an appeal grading has been completed, an appeal grading certificate shall be issued showing the results of such appeal grading. Such certificate shall thereupon supersede the grading certificate for the product involved and such supersedure shall be effective as of the time of issuance of the grading certificate with respect to which the appeal is made. Each appeal grading certificate shall clearly set forth the number and the date of the grading certificate which it supersedes. The provisions of § 54.32 shall, whenever applicable, also apply to appeal grading certificates except that copies of such appeal grading certificates shall be furnished each interested party of record.

§ 54.35 *Superseded certificates.* Whenever any grading certificate is superseded in accordance with the regulations in this part such certificate shall become null and void as of the effective time of supersedure. If the original and all copies of such superseded certificate are not delivered to the person issuing the regrading certificate or appeal grading certificate, he shall notify such persons as he considers necessary to prevent fraudulent use of the superseded certificate.

#### SANITARY REQUIREMENTS

§ 54.36 *Minimum standards for sanitation, facilities, and operating procedures in official plants.* The provisions of this section shall apply with respect to grading service and inspection service in all official plants. The table set forth in this section indicates some of the types of material which may be used in the construction of equipment, utensils and facilities for use in the plant.

#### BUILDINGS AND PLANT FACILITIES

(a) *The buildings shall be of sound construction and kept in good repair, and shall be of such construction as to prevent the entrance or harboring of vermin—(1) Outside openings.* (i) The doors, windows, skylights and other outside openings of the plant, except receiving rooms and live rabbit holding rooms, shall be protected by properly fitted screens or other suitable devices, against the entrance of flies and other insects.

(ii) Outside doors, except in receiving rooms and live rabbit holding rooms shall be self-closing and so hung that not over  $\frac{1}{4}$  inch clearance remains when closed. Screen doors shall open toward the outside of the building.

(b) *Rooms and compartments used for edible products shall be separate and distinct from inedible products departments and from rooms where rabbits are slaughtered and skinned. Separate rooms shall be provided when required for conducting processing operations in a sanitary manner; and all rooms shall be of sufficient size to permit the installation of the necessary equipment for processing operations and the conduct of such operations in a sanitary manner.* (1) The official plant should have separate rooms for each of the following operations depending upon the various types of operations conducted; but in no case shall the receiving or holding of live rabbits or killing operations be permitted in rooms in which eviscerating operations are performed:

(i) The receiving and feeding of live rabbits.

(ii) Killing and skinning operations.

(iii) Eviscerating, chilling, and packing operations for ready-to-cook rabbits.

(iv) Inedible products departments.

(v) Refuse room.

(2) Rooms and compartments in which carcasses or parts thereof are held for further inspection shall be in such number and such location as the needs of the inspection in the plant may require. They shall be equipped with locks and keys and the keys shall not leave the custody of the inspector in charge of the plant. All such rooms and compartments shall be marked conspicuously with the word "retained" in letters not less than 2 inches high.

(3) *Coolers and freezers.* Coolers and freezers of adequate size and capacity shall be provided to reduce the internal temperature of ready-to-cook domestic rabbits prepared and otherwise handled in the plant to 36° F. within 24 hours unless other cooling facilities are available.

(4) *Refuse rooms.* Refuse rooms shall be entirely separate from other rooms in the plant, and shall have tight fitting doors and be properly ventilated.

(5) *Storage and supply rooms.* The storage and supply rooms shall be in good repair, kept dry, and maintained in a sanitary condition.

(6) *Boiler room.* The boiler room shall be a separate room, if necessary, to prevent its being a source of dirt and objectionable odors entering any room where ready-to-cook rabbits are prepared, processed, handled and stored.

(7) *Inspector's office.* Furnished office space, including, but not being limited to, light, heat and janitor service shall be provided rent free in the official plant, for the exclusive use for official purposes of the inspector or grader and the Administration. The room or rooms set apart for this purpose must meet with the approval of the regional supervisor and be conveniently located, properly ventilated and provided with lockers or cabinets suitable for the protection and storage of supplies and with facilities suitable for inspectors and graders to change clothing.

(8) *Toilet rooms opening directly into rooms where domestic rabbit products are exposed shall have self-closing doors and shall be ventilated to the outside of the building.*

(c) *The floors, walls, ceilings, partitions, posts, doors and other parts of all compartments shall be of such material, construction, and finish as will make them susceptible of being readily and thoroughly cleaned—(1) Floors.* (i) All floors, except those which are kept dry, shall be constructed of hardened concrete, or of tile laid closely together with impervious joint material, or of other similar impervious material and kept in good repair.

(ii) All floors except those which are kept dry shall be graded to permit run-off with no standing water and in new construction and renovated plants the pitch shall be not less than  $\frac{1}{4}$  inch per foot to drains.

(2) *Ceilings and walls.* (1) Ceilings and walls in rooms and compartments where exposed edible products are processed, handled, or stored shall have tiled, enameled, or other smooth surface impervious to moisture.

(ii) Cooler and freezer rooms shall have interior surfaces as are impervious to moisture and permit thorough cleaning.

(3) *Blood disposal.* (1) Adequate facilities shall be provided for the disposal of blood in a sanitary manner.

(ii) When bleeding troughs are used they shall be long enough to catch the blood during the bleeding process and shall be cleaned daily. Such troughs shall be installed so as to pitch at least  $\frac{1}{2}$  inch per foot toward a smooth metal catch basin or basins, of

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sufficient capacity for a day's operation at peak production, or shall be flushed continuously.

(d) There shall be an efficient drainage and plumbing system for the plant and premises. (1) All drains and gutters shall be properly installed with approved traps and vents. The drainage and plumbing system must permit the quick run-off of all water from plant buildings, and surface water around the plant and on the premises; and all such water shall be disposed of in such a manner as to prevent a nuisance or health hazard.

(2) Sewage and plant wastes. (1) The sewerage system shall have adequate slope and capacity to remove readily all waste from the various processing operations and to minimize, and if possible to prevent, stoppage and surcharging of the system.

(11) Grease traps which are connected with the sewerage system shall be suitably located but not near any edible products department or in any area where products are unloaded from, or loaded into, vehicles. To facilitate cleaning, such traps shall have inclined bottoms and be provided with suitable covers.

(111) In new construction toilet soil lines shall be separate from house drainage lines to a point outside the buildings; and drainage from toilet bowls and urinals shall not be discharged into a grease catch basin.

(iv) All floor drains shall be equipped with traps, constructed so as to minimize clogging; and the plumbing shall be so installed as to prevent sewerage from backing up and from flooding the floor.

(v) Floor drainage lines should be of metal and at least 4 inches in diameter and open into main drains of at least 6 inches in diameter and shall be properly vented to outside air.

(vi) Where refrigerators are equipped with drains, such drains should be properly trapped and should discharge through an air gap into the sewer system. All new installations, and all replacements, of refrigerators equipped with drains shall meet these requirements.

(e) The water supply shall be ample, clean, and potable with adequate facilities for its distribution in the plant, and its protection against contamination and pollution. (1) Hot water at a temperature not less than 180° F. shall be available for sanitation purposes.

(2) Hose connections with steam and water mixing valves or hot water hose connections shall be provided at convenient locations throughout the plant for cleaning purposes.

(3) The refuse rooms shall be provided with adequate facilities for washing refuse cans and other equipment in the rooms; and the rooms, cans, and equipment shall be cleaned after each day's use.

(f) Modern lavatory accommodations, and properly located facilities for cleaning utensils and hands shall be provided. (1) Adequate lavatory and toilet accommodations, including, but not being limited to, running hot water and cold water, soap, and towels, shall be provided. Such accommodations shall be in or near toilet and locker rooms and also at such other places in the plant as may be essential to the cleanliness of all personnel handling products.

(2) Sufficient metal containers shall be provided for used towels and other wastes.

(3) The water supply in all hand washing facilities serving areas where edible products are prepared shall be operated by other than hand operated controls or shall be of a continuous-flow type.

(4) Durable signs shall be posted conspicuously in each toilet room and locker room directing employees to wash their hands before returning to work.

(5) Toilet facilities shall be provided according to the following formula:

Persons of same sex:	Toilet bowls required
1 to 15, inclusive.....	1
16 to 35, inclusive.....	2
36 to 55, inclusive.....	3
56 to 80, inclusive.....	4
For each additional 30 persons in excess of 80.....	1

\*Urinals may be substituted for toilet bowls but only to the extent of  $\frac{1}{3}$  of the total number of bowls stated.

(g) There shall be ample light, either natural or artificial or both, of good quality and well distributed, and sufficient ventilation for all rooms and compartments to insure sanitary conditions. (1) All rooms in which domestic rabbits are killed, eviscerated, or otherwise processed shall have at least 10 foot candles of light intensity on all working surfaces except that at the grading and inspection stations such light intensity shall be 50 foot candles. In all other rooms there shall be provided at least 4 foot candles of light intensity when measured at a distance of 30 inches from the floor.

(2) All rooms shall be adequately ventilated to eliminate objectionable odors and minimize moisture condensation.

## EQUIPMENT AND UTENSILS

(h) Equipment and utensils used for the preparation, processing, or otherwise handling any product in the plant shall be suitable for the purpose intended and shall be of such material and construction as will facilitate their thorough cleaning and insure cleanliness in the preparation and handling of products. (1) Live rabbit holding pens shall be so constructed as to allow satisfactory ante-mortem examination and to permit proper cleaning.

(2) Metal refuse containers shall be provided; and such containers shall be kept covered.

(3) Insofar as it is practical, equipment and utensils shall be made of metal or other impervious material. Trucks and receptacles used for handling inedible products shall be of similar construction and shall be conspicuously and distinctly marked and shall not be used for handling any edible products.

(4) Chilling vats. Chilling vats or tanks used for chilling ready-to-cook domestic rabbits shall be made of metal or other hard-surfaced impervious material.

(5) Grading and packing bins. Where grading bins are used for ready-to-cook domestic rabbits they shall be of sufficient number and capacity to handle the grading adequately without the use of makeshift bins and all ready-to-cook domestic rabbits shall be kept off the floor. Grading bins may be made of metal or enameled wood and shall be constructed and maintained in such a manner as to allow easy and thorough cleaning. All replacements of such bins shall, however, be of metal.

(6) Except as otherwise provided herein, all equipment and utensils used in the killing, skinning, and the eviscerating, chilling, and packing rooms shall be of metal or other impervious material and constructed so as to permit proper and complete cleaning.

(7) Conveyors. (1) Conveyors used in the preparation of ready-to-cook domestic rabbits shall be of metal or other acceptable material and of such construction as to permit thorough and ready cleaning and easy identification of viscera with its carcass.

(ii) Overhead conveyors shall be so constructed and maintained that they do not allow grease, oil, or dirt to accumulate on the drop chain or shackle, which shall be of non-corrosive metal.

(iii) Non-metallic belt-type conveyors used in moving edible products shall be of water-proof composition.

(8) Inspection, eviscerating, and cutting tables shall be made of metal and have coved corners and be so constructed and placed to permit thorough cleaning.

(9) In plants where no conveyors are used, each carcass shall be eviscerated in an individual metal tray of seamless construction.

(10) Water spray washing equipment shall be used for washing carcasses inside and out.

(11) Watertight metal receptacles shall be used for entrails and other waste resulting from preparation of ready-to-cook domestic rabbits.

(12) Watertight trucks and receptacles for holding or handling diseased carcasses and diseased parts of carcasses shall be so constructed as to be readily and thoroughly cleaned; such trucks and receptacles shall be marked in a conspicuous manner with the word "condemned" in letters not less than 2 inches high and, when required by the inspector in charge, shall be equipped with facilities for locking and sealing.

(13) Freezing rooms should be adequately equipped to freeze ready-to-cook domestic rabbits solid in less than 48 hours. Ready-to-cook domestic rabbits should be frozen at temperatures of -10° F. to -40° F. and should be stored at 0° F. or below, with the temperature maintained as constant as possible. Freezing rooms should be equipped with floor racks or pallets and fans to insure air circulation.

(14) Cooling racks should be made of metal and be readily accessible for thorough washing and cleaning. All replacements of cooling racks shall be made of metal.

(15) Trucks and receptacles in which carcasses or parts thereof are held for further inspection shall be in such number and such location as the needs of the inspection in the plant may require. They shall be equipped for locking by means of lock and key and the key shall not leave the custody of the inspector in charge of the plant. Such trucks and receptacles shall be marked conspicuously with the word "retained" in letters not less than 2 inches high.

(1) All equipment shall be so placed as to be readily accessible for all processing and cleaning operations.

(j) Equipment and utensils used in the official plant shall not be used outside the official plant except under such conditions as may be prescribed or approved by the national supervisor, and equipment used in the preparation of any article (including, but not being limited to, animal food), from inedible material shall not be used outside of the inedible products department except under such conditions as may be prescribed or approved by the national supervisor.

## MAINTENANCE OF SANITARY CONDITIONS AND PRECAUTIONS AGAINST CONTAMINATION OF PRODUCTS

(k) The premises shall be kept free from refuse, waste materials, and all other sources of objectionable odors and conditions.

(l) Rooms, compartments, or other parts of the official plant shall be kept clean and in sanitary condition. (1) All blood, offal, rabbits or parts of rabbits too severely damaged to be salvaged and all discarded containers and other materials shall be completely disposed of daily.

(2) All windows, doors, and light fixtures in the official plant shall be kept clean.

(3) All docks and rooms shall be kept clean and free from debris and unused equipment and utensils.

(4) Live rabbit receiving docks and receiving rooms shall be of such construction as readily to permit their thorough cleaning; and such docks and rooms should be kept clean at all times.

(5) Floors in live rabbit holding rooms shall be cleaned with such regularity as may

be necessary to maintain them in a sanitary condition.

(6) The killing and skinning room shall be kept clean and free from offensive odors at all times.

(7) The walls, floors, and all equipment and utensils used in the killing and skinning room shall be thoroughly washed and cleaned after each day's operation.

(8) The floors in the killing and skinning room shall be cleaned frequently during killing and skinning operations and be kept reasonably free from accumulated blood, offal, water and dirt.

(9) All equipment in the toilet room and locker room, as well as the room itself, shall be kept clean, sanitary, and in good repair.

(10) Cooler and freezer rooms shall be free from objectionable odors of any kind and shall be maintained in a sanitary condition (including, but not being limited to, the prevention of drippings from refrigerating coils onto products).

(m) Equipment and utensils used for preparing or otherwise handling any product shall be kept clean and in a sanitary condition and in good repair. (1) Pens shall be cleaned regularly and the manure removed from the plant daily.

(2) All equipment and utensils used in the killing and skinning rooms shall be thoroughly washed and cleaned after each day's operation. The eviscerating, chilling, and packing room and equipment and utensils used therein shall be maintained in a clean and sanitary condition.

(3) Graders' and packers' gloves and grading bins shall be washed daily and used only for grading or packing, as the case may be.

(4) All crates or pens used for transporting live domestic rabbits to the plant shall be cleaned regularly.

(5) Chilling vats or tanks, if practicable, shall be emptied after each use. They shall be thoroughly cleaned once daily, and after each cleaning operation they shall be sanitized with such compounds or by such methods as may be approved or prescribed by the Administrator.

(6) When synchronized overhead conveyors and tray conveyors are used, the trays shall be completely washed and sanitized after being automatically emptied of inedible viscera.

(7) When a conveyor tray operation is used, each carcass shall be eviscerated in an individual metal tray of seamless construction; and such trays shall be completely washed and sanitized after each use.

(8) Tables, shelves, bins, trays, pans, knives, and all other tools and equipment used in the preparation of ready-to-cook domestic rabbits shall be kept clean and sanitary at all times. Cleaned equipment and utensils shall be drained on racks and shall not be nested.

(9) Drums, cans, tanks, vats, and other receptacles used to hold or transport ready-to-cook domestic rabbits, shall be kept in a clean and sanitary condition.

(n) Operations and procedures involving the preparation, storing, or handling of any product shall be strictly in accord with clean and sanitary methods. (1) There shall be no handling or storing of materials which create an objectionable condition in rooms, compartments, or other places in the plant where any product is prepared, stored, or otherwise handled.

(2) Blood from the killing operation shall be confined to a relatively small area and kept from being splashed about the room.

(3) In the final washing, the carcass shall be passed through a system of sprays providing an abundant supply of fresh clean water.

(4) The floors in the eviscerating room shall be kept clean and reasonably dry during eviscerating operations and free of all refuse.

(5) Conveyors shall be operated at such speeds as will permit a sanitary eviscerating operation and will permit adequate inspection for condition and wholesomeness.

(6) Mechanized packaging equipment shall be maintained in good sanitary condition.

(7) All offal resulting from the eviscerating operation shall be removed as often as necessary to prevent the development of a nuisance.

(8) Paper and other material used for lining containers in which products are packaged shall be of such kinds as do not tear readily during use, but remain intact when moistened by the product.

(9) Protective coverings shall be used for product in the plant and it is distributed from the plant as will afford adequate protection for the product against contamination by any foreign substance (including, but not being limited to, dust, dirt, and insects), considering the means intended to be employed in transporting the product from the plant.

(10) Refuse may be moved directly to loading docks only for prompt removal.

(11) Cleanliness and hygiene of personnel. (1) All employees coming in contact with exposed edible products or edible products handling equipment shall wear clean garments and should wear caps or hair nets, and shall keep their hands clean at all times while thus engaged.

(ii) Hands of employees handling edible products or edible products handling equipment shall be free of infected cuts, boils, and open sores at all times while thus engaged.

(iii) Every person after each use of toilet or change of garments shall wash his hands thoroughly before returning to duties that require the handling of edible products, or containers therefor, or edible products handling equipment.

(iv) Neither smoking nor chewing of tobacco shall be permitted in any room where exposed edible products are prepared, processed, or otherwise handled.

(o) Temperatures and procedures which are necessary for cooling and freezing of domestic rabbits in accordance with sound commercial practice shall be maintained in the coolers and freezers, and chilling temperatures and procedures shall also be in accordance with sound commercial practice.—(1) Cooling. Immediately after evisceration and washing of the carcass, it shall be placed in a cooling tank containing running cold tap water to remove the animal heat from the carcass. Carcasses shall not be allowed to remain in the cooling tank for longer than one hour.

(2) Air chilling. Immediately after the initial water chilling, the carcasses shall be placed in cooling racks and thereupon placed in a refrigerated cooler with moderate air movements and a temperature which will reduce the internal temperature of the carcasses to from 38° F. to 40° F., both inclusive, within 24 hours.

(3) Freezing. (1) When ready-to-cook domestic rabbits are packaged in bulk or shipping containers, the carcasses should be individually wrapped or packaged in water-vapor resistant cartons or the containers should be lined with heavy water-vapor resistant paper so as to assure adequate overlapping of the lining to completely surround the carcasses and to permit unsealed closure or sealing in such a manner that water-vapor loss from the product is considerably retarded or prevented. The rabbit carcasses should receive an initial rapid freezing under such packaging, temperature, air circulation, and stacking conditions which will result in freezing the carcasses solid in less than 48 hours.

(ii) Frozen ready-to-cook rabbits should be stored at 0° F. or below, with temperatures maintained as constant as possible.

(4) Immediately after packaging, all ready-to-cook domestic rabbits, other than those which are shipped from the plant in a refrigerated carrier, should be moved into the freezer, except that a period not exceeding 72 hours will be permitted for transportation and temporary holding before placing in the freezer provided such rabbits are held at not above 36° F.

(p) Every practicable precaution shall be taken to exclude flies, rats, mice, and other vermin from the official plant. (1) Dogs, cats, and other pets shall be excluded from rooms where edible products are processed, handled, or stored.

(q) No person affected with any communicable disease (including, but not being limited to, tuberculosis) in a transmissible stage shall be permitted in any room or compartment where exposed or unpacked edible products are prepared, processed, or otherwise handled.

(r) Table showing types of materials.

Equipment, utensils, and facilities	Iron	Stainless steel and monel metal	Aluminum	Galvanized iron
Holding pens	A	A	A	A
Overhead conveyors	A	A	A	A
Conveyor track	A	A		
Shackles		A		
Shackle chain	A	A		
Eviscerating pans		A	A	A
Inspection table		A	A	A
Inside and outside washer		A	A	A
Cooling tanks and racks		A	A	A
Utensils for handling edible products		A	A	A
Framework (of equipment)	A			

Key: A—Acceptable.

§ 54.37 Authority of Administrator to amend minimum standards for sanitation, facilities, and operating procedures in official plants. The Administrator is authorized to amend the provisions in § 54.36 and such amended provisions shall be applicable to official plants.

#### SUBPART E—UNITED STATES STANDARDS FOR DOMESTIC RABBITS AND EDIBLE PRODUCTS THEREOF

§ 54.101 U. S. Specifications for classes of ready-to-cook domestic rabbits. For the purpose of this section, the classes of ready-to-cook domestic rabbits are fryer rabbits and roaster rabbits. The flesh of a fryer domestic rabbit is tender and fine-grained, and of a bright pearly white color. The flesh of a roaster domestic rabbit is more firm and coarse-grained; the muscle fiber is slightly darker in color and less tender than that of a fryer domestic rabbit; and the fat may be more creamy in color than that of a fryer domestic rabbit.

(a) Fryer. A fryer is a young domestic rabbit carcass weighing not less than 1½ pounds and rarely more than 3½ pounds; and processed from a rabbit usually less than 12 weeks of age.

(b) Roaster. A roaster is a mature or old domestic rabbit carcass of any weight but usually over 4 pounds; and processed from a rabbit over 12 weeks of age, usually 8 months old or older.

§ 54.102 U. S. Specifications for standards of quality for individual ready-to-cook domestic rabbits—(a) General. Carcasses found to be unsound, unwhole-

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some, or unfit for food shall not be included in any of the quality designations specified in this section.

(b) *Standards of quality*—(1) *A Quality*. To be of A Quality the carcass:

(i) Is short, thick, well-rounded, and full-fleshed.

(ii) Has a broad back, broad hips, and broad, deep fleshed shoulders, and firm muscle texture.

(iii) Has well-developed strips of fat extending from the neck part-way down the back, and some exterior fat well distributed over loins, shoulders, and back, and a plentiful amount of interior fat in the crotch and over the inner walls of the carcass, the kidneys being practically surrounded by thick layers of firm white fat.

(iv) Shows no evidence of coagulated blood in the veins and is free from any evidence of reddening of the flesh due to blood in the connective tissues.

(v) Is free from all foreign material (including, but not being limited to, hair, dirt, and bone particles) and from crushed bones caused by removing the head or the feet.

(vi) Is free from broken bones, flesh bruises, defects, and deformities. Ends of leg bones may be broken due to removing the feet.

(2) *B Quality*. To be of B Quality the carcass:

(i) Is short, thick, fairly well-rounded, and fairly well-fleshed.

(ii) Has a fairly broad back, fairly broad hips, and fairly broad and deep-fleshed shoulders, and fairly firm muscle texture.

(iii) Has fairly well developed strips of fat extending from the neck part-way down the back and some evidence of fat fairly well distributed over loins and shoulders; has interior fat that is fairly plentiful in the crotch and over the inner walls of the carcass; and has a considerable quantity of interior fat around the kidneys.

(iv) Shows no evidence of coagulated blood in the veins and is free from any evidence of reddening of the flesh due to blood in the connective tissues.

(v) Is free from all foreign material (including, but not being limited to, hair, dirt, and bone particles) and from crushed bones caused by removing the head or the feet.

(vi) Is free from broken bones and practically free from bruises, defects, and deformities. Ends of leg bones may be broken due to removing the feet.

(3) *C Quality*. A carcass that does not meet the requirements of B Quality may be of C Quality and such carcass:

(i) May be long, rangy, and fairly well fleshed.

(ii) May have thin, narrow back and hips, and soft flabby muscle texture.

(iii) May show very little evidence of exterior fat.

(iv) May show very slight evidence of reddening of the flesh due to blood in the connective tissues.

(v) Is free from all foreign material (including, but not being limited to, hair, dirt, and bone particles) and from crushed bones caused by removing the head or feet.

(vi) May have moderate bruises of the flesh, moderate defects, and mod-

erate deformities; have not more than one broken bone; and may have a small portion of the carcass removed because of serious bruises.

Issued at Washington, D. C., this 1st day of June 1951.

[SEAL] CHARLES F. BRANNAN,  
Secretary of Agriculture.

[F. R. Doc. 51-6509; Filed, June 4, 1951;  
8:45 a. m.]

reference to domestic rabbits within the regulations. The provisions of the regulations contained herein are slightly modified from those which were published in the Notice of Proposed Rule Making. The superseded provisions of Part 70 applicable to domestic rabbits are contained in Part 54 which will become effective at the same time as the regulations contained herein.

The rules and specifications are as follows:

SUBPART A—RULES GOVERNING THE GRADING AND INSPECTION OF POULTRY AND EDIBLE PRODUCTS THEREOF; UNITED STATES SPECIFICATIONS FOR CLASSES, STANDARDS, AND GRADES WITH RESPECT THERETO

RULES AND UNITED STATES SPECIFICATIONS

On March 13, 1951, a notice of proposed issuance of regulations governing the grading and inspection of poultry and edible products thereof and United States specifications for classes, standards, and grades with respect thereto (7 CFR, Part 70) was published in the *FEDERAL REGISTER* (16 F. R. 2350). The regulations hereinafter promulgated as Part 70 of the Code of Federal Regulations are pursuant to authority contained in the Agricultural Marketing Act of 1946 (60 Stat. 1087; 7 U. S. C. 1621 et seq.) and the Department of Agriculture Appropriation Act, 1951 (Pub. Law 759, 81st Cong., approved September 6, 1950), and will supersede the currently effective provisions of Part 70.

After consideration of all relevant matters presented, including proposals set forth in the aforesaid notice, the rules and United States specifications herein-after set forth are promulgated to become effective July 1, 1951. Unless these regulations become operative not later than July 1, 1951, some of the provisions (e. g., sanitary requirements) of the current regulations will be more restrictive on that date and so continue until the effective date of these regulations. In order to prevent the occurrence of a short interim period during which different requirements will be imposed with respect to the same operations, and to permit the continuous availability of service under uniform requirements, it is hereby found and determined that good cause exists for making these regulations effective prior to 30 days after publication in the *FEDERAL REGISTER*.

The principal differences in these regulations from the superseded regulations are provisions requiring, as a prerequisite to the grading of ready-to-cook poultry, some form of prescribed inspection for wholesomeness; clarification of some of the definitions and wording of the provisions; the conditions under which operations may be conducted in an official plant without inspection; modification of the sanitary requirements to the extent deemed practicable for the effective conduct of processing operations in a sanitary manner; the hourly rate for rendering grading and inspection service on an intermittent fee basis has been increased from \$3.00 to \$3.60 in order to cover the costs of rendering these services on this basis; and the deletion of

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Sec. 70.1 Definitions.

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70.2 Administration.

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- 70.3 Grading and inspection services available.
- 70.4 Basis of service.
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- 70.11 Identifying and marketing products.
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INSPECTION

- 70.19 Manner of handling products in an official plant.
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- 70.27 Products contaminated by polluted water; procedure for handling.
- 70.28 Preparation of animal food or similar uninspected articles in an official plant.
- 70.29 Appeal inspections; how made.
- 70.30 Inspection certificates.

GRADING

- 70.31 General.
- 70.32 Live poultry.
- 70.33 Dressed poultry and ready-to-cook poultry.
- 70.34 Basis of acceptability of other official inspection systems.
- 70.35 Grading certificates.
- 70.36 Application for regrading of a graded product; regrading certificates.
- 70.37 Appeal grading.
- 70.38 Superseded certificates.

SANITARY REQUIREMENTS

- 70.39 Minimum standards for sanitation, facilities, and operating procedures in official plants.
- 70.40 Authority of Administrator to amend minimum standards for sanitation, facilities, and operating procedures in official plants.

**SUBPART B—UNITED STATES SPECIFICATIONS FOR CLASSES, STANDARDS, AND GRADES OF POULTRY AND EDIBLE PRODUCTS THEREOF**

- Sec. 70.101 United States specifications for kinds and classes of live poultry, dressed poultry, and ready-to-cook poultry.
- 70.102 United States specifications for standards of quality for live poultry on an individual bird basis.
- 70.103 United States specifications for standards of grades for live poultry.
- 70.104 United States specifications for standards of quality for individual carcasses of dressed poultry and ready-to-cook poultry.
- 70.105 United States specifications for standards of grades for dressed poultry and ready-to-cook poultry.

AUTHORITY: §§ 70.1 to 70.105 issued under sec. 205, 60 Stat. 1090, Pub. Law 759, 81st Cong.; 7 U. S. C. 1624.

**SUBPART A—GRADING AND INSPECTION OF POULTRY AND EDIBLE PRODUCTS THEREOF**

**DEFINITIONS**

§ 70.1 Definitions. Unless the context otherwise requires, the following terms shall have the following meaning:

(a) "Act" means the following provisions of the Agricultural Marketing Act of 1946 (60 Stat. 1087; 7 U. S. C. 1621 et seq.) and the Department of Agriculture Appropriation Act of 1951 (Pub. Law 759, 81st Cong., approved September 6, 1950), or any other act of Congress conferring like authority:

**AGRICULTURAL MARKETING ACT OF 1946**

\* \* \* to develop and improve standards of quality, condition, quantity, grade, and packaging, and recommend and demonstrate such standards in order to encourage uniformity and consistency in commercial practices \* \* \*

To inspect, certify, and identify the class, quality, quantity, and condition of agricultural products when shipped or received in interstate commerce under such rules and regulations as the Secretary of Agriculture may prescribe, including assessment and collection of such fees as will be reasonable and as nearly as may be to cover the cost of the service rendered, to the end that agricultural products may be marketed to the best advantage, that trading may be facilitated, and that consumers may be able to obtain the quality products which they desire, \* \* \*

**DEPARTMENT OF AGRICULTURE APPROPRIATION ACT, 1951**

\* \* \* Market inspection of farm products: For the investigation and certification, in one or more jurisdictions, to shippers and other interested parties of the class, quality, and condition of any agricultural commodity or food product, whether raw, dried, canned, or otherwise processed, and any product containing an agricultural commodity or derivative thereof when offered for interstate shipment or when received at such important central markets as the Secretary may from time to time designate, or at points which may be conveniently reached therefrom under such rules and regulations as he may prescribe, including payment of such fees as will be reasonable and as nearly as may be to cover the cost for the service rendered, \* \* \*

Marketing farm products: For acquiring and diffusing among the people of the United States useful information relative to the needed supplies, standardization, classification, grading, preparation for market, handling, transportation, storage, and marketing of farm and food products, including the demonstration and promotion of the use of

uniform standards of classification of American farm and food products throughout the world, \* \* \*

(b) "Acceptable" means suitable for the purpose intended and acceptable to the Administration.

(c) "Administration" means the Production and Marketing Administration of the Department.

(d) "Administrator" means the Administrator of the Production and Marketing Administration of the Department, or any other officer or employee of the Department to whom there has heretofore been delegated, or to whom there may hereafter be delegated, the authority to act in his stead.

(e) "Applicant" means any interested party who requests any inspection service or grading service.

(f) "Carcass" means any poultry carcass.

(g) "Circuit supervisor" means the officer in charge of the poultry inspection service in a circuit consisting of a group of stations within an area.

(h) "Class" means any subdivision of a product based on essential physical characteristics that differentiate between major groups of the same kind or between species.

(i) "Condition" means any condition, including but not being limited to, the state of preservation, cleanliness, or soundness of any product; or any condition, including but not limited to, the processing, handling, or packaging which affects such product.

(j) "Condition and wholesomeness" means the condition of any product and its healthfulness and fitness for human food.

(k) "Department" means the United States Department of Agriculture.

(l) "Dressed poultry" means poultry which has been slaughtered for human food with head, feet, and viscera intact and from which the blood and feathers have been removed.

(m) "Edible poultry byproduct" means any giblets or any edible part of dressed poultry other than eviscerated poultry.

(n) "Edible product" means any product other than live poultry and dressed poultry.

(o) "Food product containing poultry product" means any article of food for human consumption which is prepared in part from any edible portion of dressed poultry or from any product derived wholly from such edible portion, if such edible portion or product does not comprise a substantial portion of such article of food.

(p) "Giblets" means the liver from which the bile sac has been removed, the heart from which the pericardial sac has been removed, and the gizzard from which the lining and contents have been removed: *Provided*, That each such organ has been properly trimmed and washed.

(q) "Grader" means any employee of the Department authorized by the Secretary, or any other individual to whom a license has been issued by the Secretary, to investigate and certify, in accordance with the regulations in this part, the class, quality, quantity, and condition of products.

(r) "Grading" or "grading service" means (1) the act whereby a grader determines, according to the regulations in this part, the class, quality, quantity, or condition of any product by examining each unit thereof, or each unit of the representative sample thereof drawn by a grader, and issues a grading certificate with respect thereto; (2) in addition to the foregoing, the act whereby the grader identifies, according to the regulations in this part, the graded product; (3) with respect to an official plant, the act whereby a grader determines that the products in such plant are processed, handled, and packaged in accordance with § 70.39 of the regulations in this part; and (4) any regrading or any appeal grading of a previously graded product.

(s) "Grading certificate" means a statement, either written or printed, issued by a grader, pursuant to the regulations in this part, relative to the class, quality, quantity, or condition of a product.

(t) "Identify" means to apply official identification to products or the containers thereof.

(u) "Inspected and certified" or "certified" means, with respect to any product, that it has undergone an inspection and was found, at the time of such inspection, to be sound, wholesome, and fit for human food.

(v) "Inspected," "inspection service," or "inspection of products for condition and wholesomeness" means any inspection by an inspector to determine, in accordance with regulations in this part, (1) the condition and wholesomeness of dressed poultry, or (2) the condition and wholesomeness of any edible product at any stage of the preparation or packaging thereof in the official plant where inspected and certified, or (3) the condition and wholesomeness of any previously inspected and certified product if such product has not lost its identity as an inspected and certified product. In addition to the foregoing, the terms "inspection" and "inspection service" shall each mean any inspection by an inspector to determine, in accordance with the regulations in this part, the condition of dressed poultry as it applies to the processing, handling or packaging of such product.

(w) "Inspection certificate" means a statement, either written or printed, issued by an inspector, pursuant to the regulations in this part, relative to the condition and wholesomeness of products.

(x) "Inspector" means any person who is licensed by the Secretary to investigate and certify in accordance with the regulations in this part, the condition and wholesomeness of products or the condition of dressed poultry. An inspector is an employee of the Department or of a State; he may be a graduate veterinarian or a layman.

(y) "Interested party" means any person financially interested in a transaction involving any inspection or grading.

(z) "National supervisor" means (1) the officer in charge of the poultry inspection service of the Administration, (2) the officer in charge of the poultry

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grading service of the Administration, and (3) such other officers or employees of the Department who may be so designated by the officer in charge of the poultry inspection and grading service of the Administration.

(aa) "Office of grading" means the office of any grader.

(bb) "Official identification" means the symbol represented by a stamp, label, seal, or other device approved by the Administrator and affixed to any product, or to any container thereof, stating that the product was inspected or graded or both; and the class, quality, or condition of such product as determined by a grader may be indicated.

(cc) "Official plant" means one or more buildings, or parts thereof, comprising a single plant in which the facilities and methods of operation therein have been approved by the Administrator as suitable and adequate for operation under inspection or grading service and in which inspection or grading is carried on in accordance with the regulations in this part.

(dd) "Person" means any individual, partnership, association, business trust, corporation, or any organized group of persons, whether incorporated or not.

(ee) "Potable water" means water which complies with the U. S. Public Health Service drinking water standards.

(ff) "Poultry" means any kind of domesticated bird, including, but not being limited to, chickens, turkeys, ducks, geese, pigeons, and guineas.

(gg) "Poultry food product" means any article of human food or any article intended for or capable of being so used which is prepared or derived in whole or in substantial part, from any edible portion of dressed poultry.

(hh) "Poultry grading and inspection service" means the personnel who are actively engaged in the administration, application, and direction of poultry grading and inspection programs and services pursuant to the regulations in this part.

(ii) "Product" means each of the following: (1) Dressed poultry; (2) ready-to-cook poultry; (3) edible poultry byproduct; (4) poultry food product; and (5) with respect to grading service only, live poultry.

(jj) "Quality" means the inherent properties of any product which determine its relative degree of excellence.

(kk) "Ready-to-cook poultry" means any dressed poultry from which the pinfeathers, vestigial feathers (hair or down as the case may be), head, shanks, crop, oil gland, trachea, esophagus, entrails, reproductive organs and lungs have been removed and with or without the giblets, is ready-to-cook without need of further processing; or any cut-up or disjointed portion of such poultry.

(ll) "Regional supervisor" means any employee of the Department in charge of poultry grading service or poultry inspection service in a designated geographical area.

(mm) "Regulations" means the provisions of this entire part and such United States specifications for classes, standards, and grades for products as may be in effect at the time grading or inspection is performed.

(nn) "Secretary" means the Secretary of the Department, or any other officer or employee of the Department to whom there has heretofore been delegated or to whom there may hereafter be delegated, the authority to act in his stead.

(oo) "Soundness" means freedom from external evidence of any disease or condition which may render a carcass unfit for food.

(pp) "State supervisor" means any authorized and designated individual who is in charge of the poultry grading service or the poultry inspection service in a State. A State supervisor of poultry inspection service shall be a veterinarian and he is either a Federal-State employee or a Federal employee.

(qq) "Station supervisor" means any authorized individual who is designated to supervise the poultry grading service or the poultry inspection service in a large official plant or in a group of several smaller plants.

## ADMINISTRATION

**§ 70.2 Administration.** The Administrator shall perform for and under the supervision of the Secretary, such duties as are prescribed in the regulations in this part and as the Secretary may require in the administration of the regulations in this part.

## GENERAL

**§ 70.3 Grading and inspection services available.** The regulations in this part provide for the following kinds of service; and any one or more of the different services, applicable to official plants, may be rendered in an official plant.

(a) *Grading of live poultry.*

(b) *Certification of dressed poultry produced under sanitary requirements; in official plants.*

(c) *Grading of dressed poultry.* (i) In an official plant.

(ii) At terminal markets and other receiving points other than official plants.

(d) *Inspection of dressed poultry in official plants for processing as ready-to-cook poultry.*

(e) *Grading of ready-to-cook poultry.*

(i) In an official plant.

(ii) At terminal markets and receiving points other than official plants.

(f) *Inspection service in official canning plants.*

**§ 70.4 Basis of service.** (a) Any inspection service in accordance with the regulations in this part shall be for condition and wholesomeness but, with respect to dressed poultry, as such, the inspection may be for condition only.

(b) Any grading service in accordance with the regulations in this part shall be for class, quality, quantity, or condition or any combination thereof. Grading service with respect to determination of quality of products shall be on the basis of United States specifications for classes, standards, and grades as contained in Subpart B of the regulations in this part. However, grading service may be rendered with respect to products which are bought and sold on the basis of institutional contract specifications and such service when approved by the Administrator, shall be rendered on the

basis of the specifications of such contract.

(c) Continuous grading service in an official plant other than the service provided in § 70.3 (b) may be rendered only when a majority of the graders' time each month is utilized in performing grading for quality on the basis of the United States standards set forth in Subpart B of the regulations in this part.

(d) All grading service and all inspection service shall be subject to supervision at all times by the applicable station supervisor, State supervisor, circuit supervisor, regional supervisor, and national supervisor. Such services shall be rendered where the facilities and conditions are satisfactory for the conduct of the service and the requisite graders and inspectors are available.

(e) *Dressed poultry to be eligible for grading or inspection service shall have been processed in official plants.* Except as may be approved by the Administrator for a specified limited period with respect to dressed poultry which is to be inspected for canning, and except with respect to dressed poultry which is owned by the applicant prior to the effective date of these regulations, only dressed poultry which was processed in an official plant in accordance with the regulations in this part may be graded or inspected. Dressed poultry from other than official plants may be brought into an official plant only in instances where the Administration can determine that such dressed poultry will be adequately segregated and its form and identity maintained until it is shipped from the official plant.

(f) *Inspection in official plants; extent required.* All dressed poultry that is eviscerated in an official plant where inspection service is maintained shall be processed in a sanitary manner; and no uninspected edible products may be brought into such plant. Dressed poultry may be eviscerated in such plants without inspection for condition and wholesomeness but uninspected and inspected operations may not be carried on simultaneously except in plants where processing rooms (including packing rooms) are separate and effective segregation of inspected and uninspected products can be maintained; and evisceration without inspection may be conducted only if an inspector or a governmentally employed grader is on duty at all times when plant operations are carried on for the purpose of (1) effecting adequate segregation of inspected and uninspected products, (2) control of official inspection marks and grade marks, and (3) supervision of the sanitation in the official plant.

(g) *Certification of dressed poultry produced under sanitary requirements.* With respect to any official plant, dressed poultry, as such, may be certified by a grader as having been processed, handled and packed in accordance with the minimum standards for sanitation, facilities, and operating procedures in official plants. However, in official plants which have available the services of an inspector who is authorized to inspect for condition and wholesomeness, such inspector is also authorized to certify

dressed poultry, as such, as having been processed, handled, and packed in accordance with the minimum standards for sanitation, facilities, and operating procedures in official plants. The bulk containers of such dressed poultry which has been certified, as aforesaid, shall be marked for identification purposes and appropriate grading or inspection processing reports shall be issued with respect thereto as required by the regulations in this part. In an official plant where this kind of service is rendered all of the poultry that is processed in such official plant as dressed poultry shall be prepared in accordance with the regulations in this part and under the supervision of a grader or inspector.

**§ 70.5 Performance of services—(a) Licensed graders and inspectors.** (1) Any person who is a Federal or State employee possessing proper qualifications as determined by an examination for competency, and who is to perform grading service or inspection service may be licensed by the Secretary as a grader or an inspector.

(2) Any prospective grader, other than a Federal or State employee possessing proper qualifications as determined by an examination for competency and who is to perform grading service may be licensed by the Secretary as a grader. However, prior to granting of the license, he shall procure and deliver to the Administration a surety bond, issued by such surety as may be approved by the Administrator, in the amount of \$1,000 for the proper performance of the duties of such licensee under the regulations in this part.

(3) All licenses issued by the Secretary shall be countersigned by the officer in charge of the poultry grading and inspection service of the Administration or any other designated official of such service.

(b) *Suspension of license or authority; revocation.* Pending final action by the Secretary, the officer in charge of the poultry grading and inspection service may, whenever he deems such action necessary, suspend any license or authority effective pursuant to the regulations in this part, by giving notice of such suspension to the respective individual involved, accompanied by a statement of the reasons therefor. Within seven days after the receipt of the aforesaid notice and statement of reasons by such individual, he may file an appeal, in writing, with the Secretary supported by any argument or evidence that he may wish to offer as to why his license or authority should not be suspended or revoked. After the expiration of the aforesaid seven-day period and consideration of such argument and evidence, the Secretary will take such action as he deems appropriate with respect to such suspension or revocation. When no appeal is filed within the prescribed seven days the license is revoked.

(c) *Surrender of license.* Each license which is suspended, or revoked, or has expired shall promptly be surrendered by the licensee to his immediate superior. Upon termination of the services of a licensed grader or inspector the

licensee shall promptly surrender his license to his immediate superior.

(d) *Identification.* Each grader and inspector shall have in his possession at all times, and present upon request while on duty, the means of identification furnished by the Department to such person.

(e) *Financial interest of inspectors and graders.* No inspector shall inspect and no grader shall grade for quality any product in which he is financially interested.

(f) *Political activity.* All graders and inspectors who are employees of the Department are forbidden during the period of their respective appointments, or licenses, to take an active part in political management or in political campaigns. Political activity in city, county, State, or national elections, whether primary or regular, or in behalf of any party or candidate, or any measure to be voted upon, is prohibited. This applies to all appointees, including, but not being limited to, temporary and cooperative employees and employees on leave of absence with or without pay. Willful violation of this section will constitute grounds for dismissal in the case of appointees and revocation of licenses in the case of licensees.

**§ 70.6 Applying for grading service or inspection service—(a) Who may obtain grading service or inspection service.** An application for grading service or inspection service may be made by any interested person, including, but not being limited to, the United States, any State, county, municipality, or common carrier, and any authorized agent of the foregoing.

(b) *How application may be made.* (1) An application for inspection service must be made in writing and filed with the Administrator.

(2) An application for grading service to be rendered in an official plant must be made in writing and filed with the Administrator.

(3) An application for any grading service to be rendered other than in an official plant may be made in any office of grading, or with any grader at or nearest the place where the service is desired. Such application may be made orally, in writing, or by telegraph. If the application for grading service is made orally, the office of grading or the grader with whom the application is made, or the Administrator may require that the application be confirmed in writing.

(4) Each application for grading service or inspection service shall include such information as may be required by the Administrator in regard to the products and premises where the service is to be rendered.

(c) *Filing of application.* An application for grading service or inspection service shall be regarded as filed only when made pursuant to the regulations in this part.

(d) *Authority of applicant.* Proof of the authority of any person applying for grading service or inspection service may be required at the discretion of the Administrator.

(e) *Application for inspection service or grading service in official plants;*

approval. Any person desiring to process and pack products in a plant under grading service or inspection service, or both, must receive approval of such plant and facilities as an official plant prior to the rendition of such service. An application for grading service or inspection service to be rendered in an official plant shall be approved according to the following procedure:

(1) *Initial survey.* When application has been filed for grading service or inspection service, as aforesaid, the regional supervisor, or his assistant, shall examine the plant, premises, and facilities and shall specify any additional or necessary facilities required for the service. Appeals with respect to any such specification may be made to the national supervisor.

(2) *Drawings and specifications to be furnished in advance of construction or alterations.* Four copies of drawings, consisting of floor plans of space to be included in the official plant, showing the locations of such features as the principal pieces of equipment, floor drains, hand washing facilities, hose connections for clean-up purposes, cardinal points of the compass, and the routes of dressed poultry, and edible and inedible products through the plant, properly drawn to scale, shall be submitted to the regional supervisor. The official plant shall include toilet and dressing rooms, office space for the inspector and grader, store rooms for supplies used in the operations under inspection or grading, feeding rooms, and all rooms, compartments or passageways where products or any ingredients to be used in the preparation of products under inspection service or grading service will be handled or kept, and may include other rooms or compartments located in the buildings comprising the official plant. If rooms or compartments shown on the drawings are not to be included as part of the official plant this should be clearly indicated thereon. Specifications covering the height of ceilings, types of principal pieces of equipment, character of floors, walls, and ceilings, lighting, ventilation, water supply, and drainage, and such other notations as may be required, shall accompany the drawings. Construction or remodeling of buildings, facilities, or premises should not be initiated without prior approval of the drawings. Upon approval of drawings and specifications the application for grading service or inspection service may be approved.

(3) *Final survey and plant approval.* Prior to the inauguration of the grading service, or inspection service, a final survey of the plant and premises shall be made by the regional supervisor or his assistant to determine if the plant is constructed and facilities are installed in accordance with the approved drawings and the regulations in this part. The plant may be approved only when these requirements have been met, except that conditional approval for a specified limited time may be granted only under emergency conditions of restricted availability of facilities and construction materials, provided practices suitable to the Administrator are em-

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ployed to effect adequate sanitary conditions in the plant.

(f) *Rejection of application.* Any application for grading service or inspection service may be rejected by the Administrator (1) for noncompliance, by the applicant, with the act or the regulations in this part, or (2) whenever the product involved is owned by, or located on the premises of, a person currently denied the benefits of the act. Each such applicant shall be notified immediately of the reasons for the rejection.

(g) *Withdrawal of application.* Any application for grading or inspection service may be withdrawn by the applicant at any time before the service is performed upon payment by the applicant, of all expenses incurred by the Administration in connection with such application.

(h) *Order of service.* Grading service or inspection service shall be performed, insofar as practicable, in the order in which application therefor is made except that precedence may be given to any application for an appeal inspection or appeal grading.

(i) *Suspension of plant approval.* Any plant approval given pursuant to the regulations may be suspended for (1) failure to maintain plant and equipment in a satisfactory state of repair; (2) the use of operating procedures which are not in accordance with the regulations; or (3) alterations of buildings, facilities, or equipment which cannot be approved in accordance with the regulations.

During such period of suspension, inspection and grading service shall not be rendered. However, the other provisions of the contract for service will remain in effect unless terminated in accordance with the terms thereof. If the plant facilities or methods of operation are not brought into compliance within a reasonable period of time, to be specified by the Administrator, the contract shall be terminated. Upon termination of any contract providing for inspection or grading service in an official plant pursuant to the regulations, the plant approval shall also become terminated, and all labels, seals, tags or packaging material bearing official identification shall, under the supervision of a person designated by the Administration, either be destroyed, or the official identification completely obliterated, or sealed in a manner acceptable to the Administration.

**§ 70.7 Fraud or misrepresentation.** Any willful violation of the regulations in this part, the use of the terms "Government graded," "Federal-State graded," or terms of similar import in the labeling or advertising of any product without stating in conjunction therewith the U. S. grade of the product, or any willful misrepresentation or deceptive or fraudulent practice found to be made or committed by any person in connection with:

(a) The making or filing of any application for any grading service or inspection service;

(b) The use of any grading certificate or inspection certificate issued pursuant

to the regulations in this part, or the use of any official identification;

(c) The use of the terms "United States" or "U. S." in conjunction with the grade of the product;

(d) The use of any of the aforesaid terms or an official identification in the labeling or advertising of any product; or

(e) The use, in connection with any product, of a facsimile form which simulates in whole or in part any official identification; may be deemed sufficient cause for debarring such person from any or all benefits of the act after opportunity for hearing has been accorded him; and, pending investigation and hearing the Administrator may, without hearing, direct that such person shall be denied the benefits of the act.

**§ 70.8 Interfering with a grader or inspector.** Any further benefits of the act and the regulations in this part may be denied any applicant who either personally or through an agent or representative interferes with or obstructs, by intimidation, threats, ridicule, or assault, or in any other manner, a grader or inspector in the performance of his duties.

**§ 70.9 Other applicable regulations.** Compliance with the regulations in this part shall not excuse failure to comply with any other Federal, or any State or municipal, applicable laws or regulations.

**§ 70.10 Publications.** Publications under the act and the regulations in this part shall be made in the **FEDERAL REGISTER**, the Service and Regulatory Announcements of the Department, and such other media as the Administrator may approve for the purpose.

**§ 70.11 Identifying and marking products—(a) Approval of official identification.** (1) Any label or packaging material which bears any official identification shall be used only in such manner as the Administrator may prescribe. No label or packaging material bearing official identification may be used unless finished copies or samples of such labels and packaging material have been approved by the Administrator. No label bearing the official identification shall be printed for use until the printer's final proof has been approved by the Administrator; and no label, other than labels for shipping containers for institutional packs, bearing any official identification shall be used until finished copies or samples of such labels have been approved by the Administrator. Final approval may be given to printer's final proof or photostatic copies of labels for shipping containers or containers for institutional packs, and no such labels shall be used until such proofs or copies have been approved by the Administrator. A label which bears official identification shall not bear any statement that is false or misleading, and if labels in the name of the same packer or distributor, or bearing the same brand name, are used on the same or similar products which are prepared from products which are not inspected, the diameter of the inspection mark, or

combination inspection and grading mark, used on labels for inspected products shall be equal to at least one-tenth of the length of the label, plus at least one-tenth of the width of the label. If the labeling is printed or otherwise applied directly on the container, the principal display panel of such container shall, for this purpose, be considered as the label.

(b) *Products that may be individually grade marked; information required on grade mark.* Only the following products may be individually identified with a grade mark if the respective product is of A Quality or B Quality: Dressed poultry, and ready-to-cook poultry. Except as otherwise authorized each grade mark which is to be used shall conspicuously indicate the U. S. grade of the product which it identifies, and shall indicate whether the bird is "young" or "mature" or "old," and shall include one of the following phrases: "Federal-State Graded," "Government Graded," or a phrase of similar import. Such grade mark shall be contained within the outline of a shield of such design as may be prescribed or approved by the Administrator.

(c) *Use of grade mark and inspection mark with respect to the same product.* The Administrator is authorized to prescribe and approve the form of the grade mark and inspection mark that may be used individually or in combination with respect to the same product.

(d) *Marking inspected products—(1) Wording and form of the inspection mark.* Except as otherwise authorized, the inspection mark permitted to be used with respect to inspected and certified edible products shall include wording as follows: "Inspected for wholesomeness by U. S. Department of Agriculture." This wording, in such form as the Administrator may prescribe or approve, shall be contained within a circle. The Administrator may approve the use of abbreviations of such inspection mark; and such approved abbreviations shall have the same force and effect as the inspection mark. The inspection mark or approved abbreviation thereof, as the case may be, may be applied to the inspected and certified edible product or to the packaging material of such product. The inspection mark, or the approved abbreviation thereof, shall, when used on packaging material, be printed on such material or on a label to be affixed to the packaging material, and the name of the packer or distributor of such product must be legibly printed on the packaging material or label, as the case may be, excepting that on shipping containers and containers for institutional packs the inspection mark may be stenciled on the container and when the inspection mark is so stenciled, the name and address of the packer or distributor may be applied by the use of a stencil or a rubber stamp.

(2) *Wording on labels.* Each trade label to be approved for use pursuant to this section with respect to any inspected and certified edible product shall bear the true name of the edible product, the name and address of the packer or distributor thereof, and, in prominent let-

ters and figures of uniform size, the inspection mark, as aforesaid; and the label shall also bear, in such manner as may be prescribed or approved by the Administrator, the plant number, if any, of the official plant in which such product was inspected and certified.

(3) *Formulas required.* Copies of each trade label submitted for approval pursuant to this section shall, when the Administrator requires, be accompanied by a statement showing the kinds and percentages of the ingredients comprising the edible product with respect to which the label is to be used. Approximate percentages may be given in cases where the percentages of ingredients may vary from time to time, if the limits of variation are stated.

(4) *Wording permitted on food products containing poultry products.* Any trade label which is to be affixed to a container of any food product containing poultry product which is packed under the supervision of an inspector in any official plant may bear the phrase: "The poultry product contained herein has been inspected and certified at a plant where Federal inspection is maintained." Each such trade label shall also be subject to the applicable provisions of this section.

(5) *Labels in foreign languages.* Any trade label to be affixed to a container of any edible products for foreign commerce may be printed in a foreign language. However, the inspection mark shall appear on the label in English, but, in addition, may be literally translated into such foreign language. Each such trade label which is to be printed in a foreign language must be approved pursuant to this section.

(6) *Use of approved labels.* Trade labels approved for use pursuant to this section shall be used only for the purpose for which approved.

(e) *Marking dressed poultry which was certified as having been produced under sanitary requirements.* The Administrator is authorized to prescribe and approve the manner in which dressed poultry which was processed in accordance with minimum standards for sanitation, facilities, and operating procedures in official plants may be marked for identification purposes.

§ 70.12 *Supervision of marking and packaging—(a) Evidence of label approval.* No grader or inspector shall authorize the use of official identification for any graded or inspected product unless he has on file evidence that such official identification or packaging material bearing such official identification has been approved in accordance with the provisions of § 70.11.

(b) *Affixing of official identification.* (1) No official identification or any abbreviation, copy or representation thereof may be affixed to or placed on or caused to be affixed to or placed on any product or container thereof except by a grader or an inspector or under the supervision of a grader or an inspector or other person authorized by the Administrator. All such products shall have been inspected and certified or graded or both. The grader or inspector shall have supervision over the use and handling of

all material bearing any official identification.

(2) Each container of inspected and certified edible products to be shipped from one official plant to another official plant for further processing shall be marked for identification and shall show the following information:

(i) The name of the inspected and certified edible products in the container;

(ii) The name and address of the packer or distributor of such product;

(iii) The net weight of the container;

(iv) The inspection mark permitted to be used pursuant to the regulations in this part, unless the containers are sealed or otherwise identified in such manner as may be approved by the Administrator; and

(v) The plant number of the official plant where the products were packed.

(c) *Packaging.* No container which bears or may bear any official identification or any abbreviation or copy or representation thereof may be filled in whole or in part except with edible products which were inspected and certified or graded or both and are at the time of such filling, sound, wholesome and fit for human food. All such filling of containers shall be under the supervision of an inspector or grader.

§ 70.13 *Retention labels.* An inspector or grader may use such labels, devices and methods as may be approved by the Administrator for the identification (a) of products which are held for further examination, and (b) all equipment and utensils which are to be held for proper cleaning.

§ 70.14 *Prerequisites to grading and inspection.* Grading and inspection of products shall be rendered pursuant to the regulations in this part and under such conditions and in accordance with such methods as may be prescribed or approved by the Administrator.

§ 70.15 *Accessibility of products.* Each product for which grading service or inspection service is requested shall be so placed as to disclose fully its class, quality, quantity, and conditions as the circumstances may warrant.

§ 70.16 *Time of grading or inspection in an official plant.* The grader or inspector who is to perform the grading or inspection in an official plant shall be informed, in advance, of the hours when such grading or inspection will be required. Graders and inspectors shall have access at all times to every part of any official plant to which they are assigned.

§ 70.17 *Report of inspection work and grading work.* Reports of the work of inspection and grading carried on within official plants shall be forwarded to the Administrator by the inspector and grader in such manner as may be specified by the Administrator.

(a) *Information to be furnished to inspectors and graders.* When inspection service or grading service is performed within an official plant, the applicant for such inspection or grading shall furnish to the inspector or grader rendering such service such information

as may be required for the purposes of this section.

(b) *Reports of violations.* Each inspector and each grader shall report, in the manner prescribed by the Administrator, all violations of and noncompliance with the act and the regulations in this part of which he has knowledge.

§ 70.18 *Fees and charges—(a) Payment of fees and charges.* (1) Fees and charges for any grading or inspection shall be paid by the applicant for the service in accordance with the applicable provisions of this section and, if so required by the Administrator, such fees and charges shall be paid in advance.

(2) Fees and charges for any grading or inspection performed by any grader or inspector who is a salaried employee of the Department shall, unless otherwise required pursuant to subparagraph (3) of this paragraph, be paid by check, draft, or money order payable to the Treasurer of the United States and remitted promptly to the Administration.

(3) Fees and charges for any grading or inspection pursuant to a cooperative agreement with any State or person shall be paid in accordance with the terms of such cooperative agreement.

(b) *Grading service on a fee basis.*

(1) Unless otherwise provided the fees to be charged and collected for any grading service (other than for an appeal grading) on a fee basis shall be based on the applicable rates specified in paragraph (d) of this section.

(2) In the event the aforesaid applicable rates specified in paragraph (d) of this section are deemed by the Administrator to be inadequate fully to reimburse the Administration for all costs and other items paid or incurred by the Administration in connection with such service, the fees for such service shall not be based on the rates specified in paragraph (d) of this section, but shall be based on the time required to perform such service and the travel of each grader at the rate of \$3.60 per hour for the time actually required.

(3) If an applicant requests that any grading service be performed on a holiday or a non-work day, he may be charged for such service at a rate one and one-half times the rate which would be applicable for such service if performed on a day other than a holiday or non-work day.

(c) *Fees for appeal grading.* The fees to be charged for any appeal grading shall be double the fee specified in the grading certificate from which the appeal is taken: *Provided*, That the fee for any appeal grading requested by the United States, or any agency or instrumentality thereof, shall be not more than that set forth in the grading certificate from which the appeal is taken. If the fee on the certificate from which the appeal is taken is based on a contract, then the fee for such appeal grading shall be double the amount specified in paragraph (d) of this section for the applicable volume of product appeal graded. If the result of any appeal grading discloses that a material error was made in the grading appealed from, no fee shall be required.

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(d) *Poultry grading fees.* For each grading of any lot of poultry, whether live, dressed, or ready-to-cook, the following fees shall be applicable:

For 500 pounds or less.....	\$1.50
For 501 to 1,500 pounds, inclusive.....	2.25
For 1,501 to 3,000 pounds, inclusive.....	3.00
For 3,001 to 6,000 pounds, inclusive.....	4.00
For 6,001 to 10,000 pounds, inclusive.....	6.00
For 10,001 to 20,000 pounds, inclusive.....	10.00
For each additional 10,000 pounds or fraction thereof, in excess of 20,000 pounds.....	3.00

(e) *Inspection service on a fee basis.* Fees to be charged and collected for inspection services furnished on a fee basis shall be based on the time required to render such services including, but not being limited to, the time required for the travel of the inspector or inspectors in connection therewith, at the rate of \$3.60 per hour for each inspector for the time actually required.

(f) *Fees for additional copies of grading certificates and inspection certificates.* Additional copies, other than those provided for in § 70.30 and § 70.35, of any grading certificates or inspection certificates may be supplied to any interested party upon payment of a fee of \$1.00 for each set of five or fewer copies.

(g) *Traveling expenses and other charges.* Charges may be made to cover the cost of traveling and other expenses incurred by the Administration in connection with the performance of any grading service or inspection service.

(h) *Additional charges.* With respect to any grading service performed in a freight or express car or any other place where the entire lot of the product is not readily accessible to the grader, a charge of \$5.00 shall be made in addition to the applicable rates specified in paragraph (d) of this section.

(i) *On a contract basis.* Fees to be charged and collected for any grading service or inspection service, other than for an appeal grading, on a contract basis shall be those provided for in such contract. The fees to be charged for any appeal grading shall be as provided in paragraph (c) of this section.

(j) *Fees for grading service or inspection service performed under cooperative agreement.* The fees to be charged and collected for any grading service or inspection service performed under cooperative agreement shall be those provided for by such agreement.

(k) *Disposition of fees for inspections made under cooperative agreement.* Fees for inspection under a cooperative agreement with any State or person shall be disposed of in accordance with the terms of such agreement. Such portion of the fees collected under a cooperative agreement as may be due the United States shall be remitted to the Administration.

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§ 70.19 *Manner of handling products in an official plant.* Unless otherwise specified in the regulations in this part or by the Administrator, products which are to be further processed under inspection in an official plant shall be prepared and handled in such official plant under the supervision of an inspector.

§ 70.20 *Ante-mortem inspection.* Ante-mortem examination of poultry may be required by the Administrator as a prerequisite to any inspection; and such ante-mortem examination shall be carried out under such conditions and in accordance with such methods as may be prescribed or approved by the Administrator.

§ 70.21 *Evisceration.* No viscera or any part thereof shall be removed from any dressed poultry which is to be processed under inspection in any official plant, except at the time of evisceration and inspection. Each carcass to be eviscerated shall be opened so as to expose the organs and the body cavity for proper examination by the inspector and shall be prepared immediately after inspection as ready-to-cook poultry. If a carcass is frozen, it shall be thoroughly thawed before being opened for examination by the inspector. Each carcass, or all parts comprising such carcass, shall be examined by the inspector: *Provided,* That the Administrator may, whenever he deems it advisable and under such conditions as he may prescribe, authorize the removal from such carcass or parts as aforesaid, of any part thereof prior to such inspection if such part will not be used in the preparation of any edible product.

§ 70.22 *Carcasses held for further examination.* Each carcass, including all parts thereof, in which there is any lesion of disease, or other condition, which might render such carcass or any part thereof unfit for human food, and with respect to which a final decision cannot be made on first examination by the inspector, shall be held for further examination. The identity of each such carcass, including all parts thereof, shall be maintained until a final examination has been completed.

§ 70.23 *Condemnation and treatment of carcasses.* Each carcass, or any part thereof, which is found to be unsound, unwholesome, or otherwise unfit for human food shall be condemned by the inspector and shall receive such treatment, under the supervision of the inspector as will prevent its use for human food and preclude dissemination of disease through consumption by animals.

§ 70.24 *Certification of carcasses.* Each carcass and all parts and organs thereof which are found by the inspector to be sound, wholesome, and fit for human food shall be certified as provided in this part.

§ 70.25 *Reinspection of edible products.* (a) Any inspected and certified edible product may be brought into an official plant only if the container of such product is marked for identification in the manner prescribed in § 70.12 (b) (2) and the product is reinspected by an inspector at the time it is brought into such plant. Upon reinspection, if any such product or portion thereof is found to be unsound, unwholesome, or otherwise unfit for human food, such product, or portion thereof, shall be condemned and shall receive such treatment as that provided in § 70.23.

(b) Any product which is prepared under inspection in an official plant shall be inspected in such plant as often as the inspector deems it necessary in order to ascertain whether such product is sound, wholesome, and fit for human food at the time such product leaves such plant. Upon any such inspection, if any such product or portion thereof is found to be unsound, unwholesome, or otherwise unfit for human food, such product or portion thereof shall be condemned and shall receive such treatment as that provided in § 70.23.

(c) All substances and ingredients used in the manufacture or preparation of any edible product shall be clean, sound, wholesome, and fit for human food.

§ 70.26 *Edible products for canning.* Only inspected and certified edible products may be canned in an official plant; and such edible products shall be processed and handled in compliance with the following requirements:

(a) Immediate containers (whether of metal, glass, or other material) shall be cleaned thoroughly by washing in an inverted position with running water of a temperature of at least 180° F. prior to filling with edible products; and precaution shall be taken to avoid any subsequent soiling of the inner surfaces of such containers.

(b) Only perfect closure is acceptable for hermetically sealed containers; and heat processing of the products in such containers shall follow immediately after closing.

(1) Except as provided in paragraph (c) of this section, such products shall be processed at such temperature and for such period of time as will insure preservation of the products under usual conditions of storage and transportation.

(2) Immediately after closing, and again after the containers have cooled sufficiently for handling after heat processing, careful examination shall be made by competent plant employees of all containers to ascertain whether such containers are perfectly sealed. The edible products in such containers as are defectively closed or sealed shall, as promptly as practicable, be filled into other containers, hermetically sealed, and heat processed unless the containers are promptly placed in a cooler at a temperature not exceeding 36° F. under conditions that will promptly and effectively chill them. Such chilled containers of products shall be opened and the contents removed and reprocessed immediately after removal from the cooler: *Provided,* That if such containers remained in the cooler for a period of 24 hours or longer, the contents shall be inspected by an inspector prior to the reprocessing thereof. Failure to comply with the provisions of this paragraph shall subject the edible products to condemnation.

(c) After heat processing, and after the containers have cooled sufficiently for handling, the containers shall be examined by competent plant employees and shall not be passed unless showing the external characteristics of sound containers, that is, there is no bulging or slack or loose tin.

(d) After heat processing, any containers of edible products showing characteristics of short vacuum or over-stuffed containers shall, when an inspector deems it necessary in order to determine whether spoilage of the product has taken place, be incubated under the supervision of an inspector, after which the containers shall be opened and sound products passed for food and spoiled products condemned.

(e) Edible products may, when authorized by the national supervisor, and under such conditions as he may prescribe or approve, be canned without steam-pressure cooking, and such products shall be labeled "Perishable, keep under refrigeration."

(f) Each lot of canned edible products shall be identified, during the handling preparatory to heat processing, by tagging the baskets, cases, or containers with a tag which will change color on going through the heat processing or by other effective means which will positively prevent failure to heat process.

(g) Facilities shall be provided to incubate at least representative samples of fully processed canned edible products. The incubation shall consist of holding the samples for at least 10 days at about 98° F. The extent to which incubation tests shall be required will depend on conditions such as the efficiency of the plant in conducting canning operations, the kind of equipment used, and the degree of efficiency at which such equipment is maintained.

(1) In the event the official plant fails to provide suitable facilities for incubation of test samples of any lot of fully processed canned edible products, the inspector in charge may require holding of the entire lot under such conditions and for such period of time as will, in his discretion, be necessary to ascertain the stability of the product.

(2) The inspector in charge may, prior to completion of any required incubation of a representative sample, permit lots of fully processed canned edible products to be shipped from the official plant when he has no reason to suspect unsoundness of such products; however, such shipments shall be made under circumstances which will assure the return of the products to the plant for reinspection should such action be indicated by the incubation results.

(h) All canned products, excepting those in glass, shall be plainly and permanently marked, by code or otherwise, on the containers, with the identity of the contents and date of canning. If the marking is by code, its meaning shall be on record in the office of the inspector in charge.

**§ 70.27 Products contaminated by polluted water; procedure for handling.** (a) In the event there is polluted water (including, but not being limited to, flood water and harbor water) in an official plant, all edible products that have been contaminated by the water shall be condemned.

(b) After the polluted water has receded, all walls, ceilings, posts, and floors of the rooms and compartments involved, including the equipment therein, shall, under the supervision of an in-

spector, be cleansed thoroughly. An adequate supply of hot water, under pressure, is essential for effective cleansing. After cleansing, a solution of sodium hypochlorite containing approximately  $\frac{1}{2}$  of 1 percent of available chlorine (5,000 parts per million), or other disinfectant approved by the national supervisor, shall be applied; and all metal surfaces shall be rinsed thoroughly with water to prevent corrosion. Any such equipment that will afterwards be used in connection with any edible product shall be rinsed thoroughly with clean water before being used.

(c) Hermetically sealed containers of edible products which have been submerged in, or otherwise contaminated by, the polluted water shall be rehandled promptly under supervision of an inspector as follows:

(1) Such of the containers as are swollen or leaky or otherwise do not show the external characteristics of sound containers shall be segregated and the contents thereof condemned.

(2) Paper labels, if any, attached or affixed to the remaining containers shall be removed and the containers washed in warm soapy water; and, if necessary to remove rust and other foreign material, a brush shall be used.

(3) Thereafter, such containers shall be immersed in a solution of sodium hypochlorite containing not less than 100 parts per million of available chlorine, or other disinfectant approved specifically for this purpose by the national supervisor, and rinsed in clean fresh water and dried thoroughly. Any such containers which show extensive rusting or corrosion, such as might materially weaken the container, shall be opened under the supervision of an inspector. The edible products from such containers that are found by the inspector to be sound and wholesome shall be passed for human food.

(4) The remaining containers may be relacquered, if necessary, and then relabeled with approved labels applicable to the edible products therein.

(5) The identity of the canned edible products shall be maintained throughout all stages of the rehandling operation to insure correct labeling of the containers.

**§ 70.28 Preparation of animal food or similar uninspected articles in an official plant.** (a) When an article (including, but not being limited to, animal food) that will not be prepared for use as human food is prepared in any room or compartment in an official plant where edible products are prepared or handled (such room or compartments being herein referred to as "edible products department"), there shall be sufficient space allotted, and adequate equipment provided, so that the preparation of the article in no way interferes with the preparation or handling of the edible products. Where necessary, separate equipment shall be provided for the preparation of the article. To assure the maintenance of the requisite sanitary conditions in the edible products department, the operations incident to the preparation of the article shall be

subject to the same sanitary requirements as apply to the edible products department. Preparation of the article shall be limited to those hours during which the official plant operates under the supervision of an inspector. The ingredients used in the preparation of the article shall, unless otherwise approved by the national supervisor, be such as may be used in the preparation of an edible product. The article may be stored in, and distributed from, the edible products department if the article is properly identified.

(b) When any article (including, but not being limited to, animal food) that will not be prepared for use as human food, is prepared in any part of an official plant other than an edible products department (such part of the plant being herein referred to as "inedible products department"), the area in which such article is prepared shall be distinctly separated from all edible products departments. Edible products and inedible products may be brought from any edible products department into any inedible products department, but no edible product or inedible product from an inedible products department may be brought into an edible products department except under such conditions as may be prescribed or approved by the national supervisor. Any such articles as are in sealed containers or are handled in the manner prescribed or approved by the national supervisor may be brought into an edible products department. Diseased carcasses or diseased parts of any carcass shall not be used in the preparation of any animal food. Trucks or containers used for the transportation of edible products or inedible products into an inedible products department shall be cleaned before being returned to or brought into an edible products department. Sufficient space shall be allotted and adequate equipment and facilities provided so that the preparation of the article does not interfere with the preparation of edible products in the plant or the maintenance of the requisite sanitary conditions in the official plant. The preparation of any article shall be subject to supervision by an inspector.

(c) The immediate container of any such article that is prepared in an official plant shall be conspicuously labeled so as to distinguish it from human food.

**§ 70.29 Appeal inspections; how made.** Any interested party may, if dissatisfied with any decision of an inspector relating to any inspection, file an appeal from such decision. Any such appeal from a decision of an inspector shall be made to his immediate superior having jurisdiction over the subject matter of the appeal. Review of such appeal findings, when requested, shall be made by the immediate superior of the employee of the Department making the appeal inspection.

**§ 70.30 Inspection certificates—(a) Forms of inspection certificates.** Each inspection certificate issued pursuant to the regulations in this part shall be approved by the Administrator as to form, and:

(1) Each dressed poultry inspection certificate shall show the class or classes

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of poultry, the quantity of product contained in the respective lot, and all pertinent information concerning the condition and wholesomeness thereof;

(2) Each food product inspection certificate shall show the names of the edible products covered by such certificate, the quantity of each such product, such shipping marks as are necessary to identify such products, and all pertinent information concerning the condition and wholesomeness thereof;

(3) Each export certificate shall show the respective names of the exporter and the consignee, the destination, the shipping marks, the numbers of the export stamps attached to the edible products to be exported and covered by the certificate, and the names of such products and the total net weight thereof.

(b) *Issuance and disposition of dressed poultry inspection certificates.* (1) Upon the request of an interested party, any inspector is authorized to issue a dressed poultry inspection certificate with respect to any lot of dressed poultry inspected by him. Each certificate shall be signed by the inspector who made the inspection covered by the certificate, and if more than one inspector participated in the inspection of the lot of poultry, each such inspector shall sign the certificate with respect to such lot.

(2) The original of each inspection certificate, issued pursuant to this section, and not to exceed three copies thereof, shall, immediately upon issuance, be delivered or mailed to the applicant or person designated by him. One copy shall be filed in the office of the regional supervisor serving the area in which the inspection was performed, and the remaining copies to be disposed of in such manner as the Administrator may approve. Additional copies of any such certificate may be furnished to any interested party as provided in § 70.18 (f).

(c) *Food product inspection certificates; issuance and disposition.* (1) Upon the request of an interested party, any inspector is authorized to issue a food product inspection certificate with respect to any inspected and certified edible product after suitable examination of the product has been made by the inspector.

(2) The original of each food product inspection certificate, and not to exceed two copies thereof, if requested, shall, immediately upon issuance, be delivered or mailed to the applicant or person designated by him. Another copy shall be filed in the office of the regional supervisor serving the area in which such certificate was issued, and one copy shall be forwarded to the Administrator. The last named two copies shall be retained until otherwise ordered by the Administrator.

(d) *Export certificates; issuance and disposition.* (1) Upon the request of an exporter, any inspector is authorized to issue an export certificate with respect to the shipment to any foreign country of any inspected and certified edible product after suitable examination of the product has been made by the inspector.

(2) Each export certificate shall be issued in quintuplicate; the original

shall be delivered to the exporter who requested such certificate; and the duplicate copy shall be delivered to the agent of the railroad or other carrier transporting such products from the United States. The triplicate copy of such export certificate shall be forwarded to the Administrator; the quadruplicate copy shall be filed in the office of the regional supervisor serving the area in which such export certificate was issued; and the memorandum copy shall be retained by the inspector for filing. The last named three copies shall be retained until otherwise ordered by the Administrator.

(e) *Advance information.* Upon the request of an applicant, all or part of the contents of any inspection certificate issued to such applicant may be telephoned or telegraphed to him, or to any person designated by him, at his expense.

## GRADING

§ 70.31 *General.* Grading service performed with respect to any quantity of products shall, as the case may require, be on the basis of an examination, pursuant to the regulations in this part, of each unit thereof or of each unit in the representative sample thereof drawn by a grader. Whenever the grading service is performed on a representative sample basis, such sample shall be drawn and consist of not less than the minimum number of containers as indicated in the following table:

[Minimum number of containers comprising a representative sample]

Containers in lot:	Containers in sample
3 containers, or less	(1)
4 to 10, inclusive	3
11 to 20, inclusive	4
21 to 50, inclusive	7
51 to 100, inclusive	10
In excess of 100 containers	(2)

<sup>(1)</sup> All containers.

<sup>(2)</sup> Ten percent of the number of containers in the lot.

§ 70.32 *Live poultry.* Grading service performed with respect to any quantity of live poultry shall, as the case may require, be on the basis of an examination, pursuant to regulations in this part, of each unit thereof or of each unit in the representative sample thereof drawn by a grader. Such poultry may be identified with official identification on a lot basis only.

§ 70.33 *Dressed poultry and ready-to-cook poultry—(a) In an official plant.* Grading service performed in an official plant with respect to dressed poultry or ready-to-cook poultry shall, as the case may require, be on the basis of each individual carcass or on a representative sample basis.

(1) Only such ready-to-cook poultry which has been inspected and certified, pursuant to the regulations in this part, or has been inspected and passed by any other official inspection system which is acceptable to the Administrator, may be graded.

(2) Only such dressed poultry or ready-to-cook poultry which has been graded, on an individual carcass basis, as A Quality or B Quality may be individually identified with the appropriate

grade mark, and any container of such dressed poultry or ready-to-cook poultry may also be so identified. The grading of ready-to-cook poultry shall be performed prior to the disjointing or cutting up of the respective carcass.

(3) If the dressed poultry or ready-to-cook poultry is of C Quality only the bulk container of such dressed poultry or ready-to-cook poultry may be identified with the appropriate grade mark even though the grading may have been performed on an individual carcass basis.

(b) *At terminal markets and other receiving points.* Grading service performed with respect to dressed poultry or ready-to-cook poultry at terminal markets and other receiving points may be on a representative sample basis. Only such dressed poultry which was processed in an official plant and is graded on an individual carcass basis may be individually identified with a grade mark. Only ready-to-cook poultry which was inspected and certified and is marked with the inspection mark or in accordance with the provisions of § 70.12 (b) (2) may be graded.

§ 70.34 *Basis of acceptability of other official inspection systems—(a) General.* Any poultry inspection system may be deemed to be acceptable to the Administrator which (1) is conducted under the authority of laws, ordinances, or similar enactments of the State, county, city, or other political subdivision in which is located the official plant at which the ready-to-cook poultry is prepared and submitted for grading service; and (2) imposes at least the requirements set forth in paragraph (b) of this section: *Provided*, That no such inspection system shall be deemed acceptable to the Administrator with respect to any official plant in which ready-to-cook poultry is prepared if he finds at any time that such requirements are not adequately enforced.

(b) *Requirements as to manner of inspection.* (1) The inspection shall be made by a State, county or city inspector who is a qualified veterinarian or under the supervision of a qualified veterinarian. All such inspectors shall be employed by the State, county, city, or other political subdivision in which the official plant is located.

(2) The inspection shall include post-mortem examination of each poultry carcass during the evisceration operation.

(3) All carcasses which show evidence of disease or any other condition which may render them unwholesome or unfit for food shall be condemned and shall be destroyed for food purposes under the supervision of an inspector. Each carcass and part thereof which has been inspected and passed or containers of carcasses or parts thereof shall bear the identifying inspection symbol of the other official inspection system and the marking devices or labels shall be in the custody of the inspector at all times.

(c) *Determining compliance with paragraph (b) of this section.* A qualified veterinary supervisor of the poultry grading service of the Administration shall investigate the manner of operation of the inspection system to deter-

mine the adequacy of the post-mortem examination and the compliance with the requirements contained in this section prior to approving the official plant for the grading of ready-to-cook poultry. This supervisor as well as any official graders who may be stationed in the official plant shall periodically observe the inspection operations in the official plant to determine whether the requirements of this section are being met. If at any time the inspector fails to enforce the requirements as set forth in the inspection system, grading service may be withdrawn from the official plant.

**§ 70.35 Grading certificates—(a) Forms.** Grading certificates (including appeal grading certificates and regrading certificates) shall be issued on forms approved by the Administrator.

(b) *Issuance and disposition.* (1) Each grader shall issue a grading certificate covering each product graded.

(2) The original of each grading certificate, issued pursuant to this section, and not to exceed three of the copies thereof, shall, immediately upon issuance, be delivered or mailed to the applicant or person designated by him. One copy shall be filed in the office of grading which serves the area in which the grading service was performed, and the remaining copies shall be disposed of in such manner as the Administrator may approve. Additional copies of any such certificate may be furnished to any interested party as provided in § 70.18 (f).

(c) *Advance information.* Upon the request of an applicant, all or part of the contents of any grading certificate issued to such applicant may be telephoned or telegraphed to him, or to any person designated by him, at his expense.

**§ 70.36 Application for regrading of a graded product; regrading certificates—(a) Application for regrading of a graded product.** An application for a regrading of any previously graded product may be made at any time by any interested party, and such application shall clearly state the reasons for requesting the regrading. The provisions of the regulations relative to grading service shall apply to regrading service.

(b) *Regrading certificates.* Immediately after a regrading has been completed, a regrading certificate shall be issued showing the results of such regrading; and such certificate shall thereupon supersede, as of the time of issuance of the regrading certificate, the grading certificate previously issued for the product involved. Each regrading certificate shall clearly set forth the number and date of the grading certificate which it supersedes. The provisions of § 70.35 shall, whenever applicable, also apply to regrading certificates except that copies of such regrading certificates shall be furnished each interested party of record.

**§ 70.37 Appeal grading—(a) Application for appeal grading.** An application for an appeal grading may be made by any interested party who is dissatisfied with any determination stated in any grading or regrading certificate only if

the identity of the product, or representative sample thereof, on the basis of which a determination was made has not been lost, and such application for the appeal grading is made within two days following the day on which the grading was performed. Upon approval by the Administrator, the time within which an application for an appeal grading may be made may be extended.

(b) *How to obtain appeal grading.* Appeal grading may be obtained by filing a request therefor (1) with the Administrator, (2) with the grader who issued the grading certificate with respect to which the appeal grading is requested, (3) with the immediate superior of such grader, or (4) with the officer in charge of any office of grading. The application for appeal grading shall clearly state the reasons therefor and may be accompanied by a copy of the aforesaid grading certificate or any other information the applicant may have secured regarding the product, at the time of grading, from which the appeal is requested. Such application may be made orally (in person or by telephone), in writing, or by telegraph. If made orally, written confirmation may be required.

(c) *Record of filing time.* A record showing the date and hour when each such application for appeal grading is received shall be maintained in such manner as the Administrator may prescribe.

(d) *When an application for an appeal grading may be refused.* Notwithstanding the provisions of paragraph (a) of this section, if it appears to the Administrator that the reasons for an appeal grading are frivolous or not substantial, or that the quality or condition of the products has undergone a material change since the grading from which the appeal is made, or the identical products that were examined to ascertain the grade thereof cannot be made accessible for reexamination, or the act or regulations in this part have not been complied with, the Administrator may refuse the applicant's request for the appeal grading; and such applicant shall be promptly notified of the reason for such refusal.

(e) *When an application for appeal grading may be withdrawn.* An application for appeal grading may be withdrawn by the applicant at any time before the appeal grading is made upon payment, by the applicant, of all expenses incurred by the Administration in connection with such application.

(f) *Who shall perform the appeal grading.* An appeal grading of any graded product shall be made by any grader (other than the one from whose grading the appeal is made) designated for this purpose by the Administrator; and, whenever practicable, such appeal grading shall be conducted jointly by two such graders.

(g) *Appeal grading by immediate superior.* Notwithstanding the provisions of this section, whenever the immediate superior of a grader has evidence that such grader incorrectly graded a product, such superior shall immediately make a regrading of the product.

(h) *Order of performance of appeal gradings.* Appeal gradings shall be performed, insofar as practicable, in the order in which applications therefor are received; and any such application may be given precedence pursuant to § 70.6.

(i) *Appeal grading certificates.* Immediately after an appeal grading has been completed, an appeal grading certificate shall be issued showing the results of such appeal grading. Such certificate shall thereupon supersede the grading certificate for the product involved and such supersession shall be effective as of the time of issuance of the grading certificate with respect to which the appeal is made. Each appeal grading certificate shall clearly set forth the number and the date of the grading certificate which it supersedes. The provisions of § 70.35 shall, whenever applicable, also apply to appeal grading certificates except that copies of such appeal grading certificates shall be furnished each interested party of record.

**§ 70.38 Superseded certificates.** Whenever any grading certificate is superseded in accordance with the regulations in this part such certificate shall become null and void as of the effective time of supersession. If the original and all copies of such superseded certificate are not delivered to the person issuing the regrading certificate or appeal grading certificate, he shall notify such persons as he considers necessary to prevent fraudulent use of the superseded certificate.

#### SANITARY REQUIREMENTS

**§ 70.39 Minimum standards for sanitation, facilities, and operating procedures, in official plants.** Except as otherwise provided in this part the provisions of this section shall apply with respect to grading service and inspection service in all official plants other than with respect to the grading of live poultry. The table set forth in this section indicates some of the types of material which may be used in the construction of equipment, utensils and facilities for use in the plant.

#### BUILDINGS AND PLANT FACILITIES

(a) *The buildings shall be of sound construction and kept in good repair, and shall be of such construction as to prevent the entrance or harboring of vermin—(1) Outside openings.* (i) The doors, windows, skylights and other outside openings of the plant, except receiving rooms and feeding rooms shall be protected by properly fitted screens or other suitable devices, against the entrance of flies and other insects.

(ii) Outside doors, except in receiving rooms and feeding rooms shall be self-closing and so hung that not over  $\frac{1}{4}$  inch clearance remains when closed. Screen doors shall open toward the outside of the building.

(b) *Rooms and compartments used for edible products shall be separate and distinct from inedible products departments and from rooms where live poultry is held or slaughtered. Separate rooms shall be provided when required for conducting processing operations in a sanitary manner; and all rooms shall be of sufficient size to permit the installation of the necessary equipment for processing operations and the conduct of such operations in a sanitary manner.*

(1) The official plant should have separate rooms for each of the following opera-

## RULES AND REGULATIONS

tions depending upon the various types of operations conducted; but in no case shall the receiving or feeding of live poultry or killing operations be permitted in rooms in which eviscerating operations are performed:

(1) The receiving and feeding of live poultry.

(ii) Killing, scalding, and roughing operations.

(iii) Pinning, finishing, and chilling and packing operations for dressed poultry.

(iv) Evisceration operations. Final pinning of dressed poultry and chilling and packaging of edible products may be performed in this room. Opening in walls for conveyor lines are permissible.

(v) Inedible products departments.

(vi) Refuse rooms. Separate refuse room, or other equally adequate facilities, shall be required in eviscerating plants and in other plants where accumulations of refuse occur.

(2) Rooms and compartments in which carcasses or parts thereof are held for further inspection shall be in such numbers and such locations as the needs of the inspection in the plant may require. These rooms and compartments shall be equipped with locks and keys and the keys shall not leave the custody of the inspector in charge of the plant. All such rooms and compartments shall be marked conspicuously with the word "retained" in letters not less than 2 inches high.

(3) Coolers and freezers. Coolers and freezers of adequate size and capacity shall be provided to reduce the internal temperature of dressed poultry and ready-to-cook poultry prepared and otherwise handled in the plant to 36° F. within 24 hours unless other cooling facilities are available.

(4) Refuse rooms. Refuse rooms shall be entirely separate from other rooms in the plant, shall have tight fitting doors and be properly ventilated.

(5) Storage and supply rooms. The storage and supply rooms shall be in good repair, kept dry, and maintained in a sanitary condition.

(6) Boiler room. The boiler room shall be a separate room, if necessary, to prevent its being a source of dirt and objectionable odors entering any room where dressed poultry or edible products are prepared, processed, handled, and stored.

(7) Inspector's office. Furnished office space, including, but not being limited to, light, heat and janitor service shall be provided rent free in the official plant, for the exclusive use for official purposes of the inspector or grader and the Administration. The room or rooms set apart for this purpose must meet the approval of the regional supervisor and be conveniently located, properly ventilated and provided with lockers or cabinets suitable for the protection and storage of supplies and with facilities suitable for inspectors and graders to change clothing.

(8) Toilet rooms opening directly into rooms where poultry products are exposed shall have self-closing doors and shall be ventilated to the outside of the building.

(c) The floors, walls, ceilings, partitions, posts, doors and other parts of all compartments shall be of such material, construction, and finish as will make them susceptible of being readily and thoroughly cleaned—  
(1) Floors. (1) All floors, except those in receiving rooms and feeding rooms and floors which are kept dry, shall be constructed of hardened concrete, or of tile laid closely together with impervious joint material, or of other similar impervious material and kept in good repair.

(ii) The floors in killing, ice-cooling, ice-packing, and eviscerating rooms shall be graded to permit run-off with no standing water and in new construction and renovated plants the pitch shall be not less than  $\frac{1}{4}$  inch per foot to drains.

(iii) In new construction the junction of the wall with the floor shall be coved on a radius of not less than 2 inches and the window ledges shall be set at an angle of approximately 45°, and all upper horizontal surfaces shall be kept to a minimum.

(2) Ceilings and walls. (1) Ceilings and walls in rooms and compartments where exposed edible products are processed, handled or stored shall have tiled, enameled, or other smooth surface impervious to moisture.

(ii) Cooler and freezer rooms shall have interior surfaces impervious to moisture so as to permit thorough cleaning.

(3) Blood disposal. (1) Adequate facilities shall be provided for the disposal of blood in a sanitary manner.

(ii) When bleeding troughs are used they shall be long enough to catch the blood during the bleeding process and shall be cleaned daily. Such troughs shall be installed so as to pitch at least  $\frac{1}{2}$  inch per foot toward a smooth metal catch basin or basins, of sufficient capacity for a day's operation at peak production, or shall be flushed continuously.

(d) There shall be an efficient draining and plumbing system for the plant and premises.

(1) All drains and gutters shall be properly installed with approved traps and vents. The drainage and plumbing system must permit the quick run-off of all water from plant buildings, and surface water around the plant and on the premises; and all such water shall be disposed of in such a manner as to prevent a nuisance or health hazard.

(2) Sewerage and plant wastes. (1) The sewerage system shall have adequate slope and capacity to remove readily all waste from the various processing operations and to minimize, and if possible to prevent stoppage and surcharging of the system.

(ii) Grease traps which are connected with the sewerage system shall be suitably located but not near any edible products department or in any area where products are unloaded from, or loaded into, vehicles. To facilitate cleaning such traps shall have inclined bottoms and be provided with suitable covers.

(iii) In new construction, toilet soil lines shall be separate from house drainage lines to a point outside the buildings; and drainage from toilet bowls and urinals shall not be discharged into a grease catch basin.

(iv) All floor drains shall be equipped with traps, constructed so as to minimize clogging; and the plumbing shall be installed so as to prevent sewerage from backing up and from flooding the floor.

(v) Floor drainage lines should be of metal and at least 4 inches in diameter and open into main drains of at least 6 inches in diameter and shall be properly vented to the outside air.

(vi) In new construction, valley or gutter drains shall have concave bottoms or the junctions of the sides and the bottoms shall be coved.

(vii) Where refrigerators are equipped with drains, such drains should be properly trapped and should discharge through an air gap into the sewer system. All new installations, and all replacements, of refrigerators equipped with drains shall meet these requirements.

(e) The water supply shall be ample, clean, and potable with adequate pressure and facilities for its distribution in the plant, and its protection against contamination and pollution.

(1) Hot water at a temperature not less than 180° F. shall be available for sanitation purposes.

(2) Hose connections with steam and water mixing valves or hot water hose connections shall be provided at convenient locations throughout the plant for cleaning purposes.

(3) The refuse rooms shall be provided with adequate facilities for washing refuse cans and other equipment in the rooms;

and the rooms, cans, and equipment shall be cleaned after each day's use.

(f) Modern lavatory accommodations, and properly located facilities for cleaning utensils and hands shall be provided. (1) Adequate lavatory and toilet accommodations, including, but not being limited to, running hot water and cold water, soap, and towels, shall be provided. Such accommodations shall be in or near toilet and locker rooms and also at such other places in the plant as may be essential to the cleanliness of all personnel handling products.

(2) Sufficient metal containers shall be provided for used towels and other wastes.

(3) The water supply in all hand washing facilities serving areas where dressed poultry and edible products are prepared shall be operated by other than hand operated controls or shall be of a continuous-flow type.

(4) Durable signs shall be posted conspicuously in each toilet room and locker room directing employees to wash their hands before returning to work.

(5) Toilet facilities shall be provided according to the following formula.

Persons of same sex:	Toilet bowls required
1 to 15, inclusive	1
16 to 35, inclusive	2
36 to 55, inclusive	3
56 to 80, inclusive	4
For each additional 30 persons in excess of 80	<sup>1</sup> 1

<sup>1</sup> Urinals may be substituted for toilet bowls but only to the extent of  $\frac{1}{3}$  of the total number of bowls stated.

(g) There shall be ample light, either natural or artificial or both, of good quality and well distributed, and sufficient ventilation for all rooms and compartments to insure sanitary conditions. (1) All rooms in which poultry is killed, eviscerated, or otherwise processed shall have at least 10 foot candles of light intensity on all working surfaces except that at the grading and inspection stations such light intensity shall be of 50 foot candles. In all other rooms there shall be provided at least 4 foot candles of light intensity when measured at a distance of 30 inches from the floor.

(2) All rooms shall be adequately ventilated to eliminate objectionable odors and minimize moisture condensation.

## EQUIPMENT AND UTENSILS

(h) Equipment and utensils used for the preparation, processing, or otherwise handling any product in the plant shall be suitable for the purpose intended and shall be of such material and construction as will facilitate their thorough cleaning and insure cleanliness in the preparation and handling of products. (1) Insofar as it is practical, equipment and utensils shall be made of metal or other impervious material. Trucks and receptacles used for handling inedible products shall be of similar construction and shall be conspicuously and distinctly marked and shall not be used for handling any edible products.

(2) Batteries should be constructed entirely of metal and have metal dropping pans so as to permit proper and complete washing and cleaning. Batteries that are not made entirely of metal shall be replaced with metal batteries whenever replacement becomes necessary.

(3) Metal refuse containers with covers shall be provided; and such containers shall be kept covered.

(4) Scalding equipment. (1) Scalding equipment, tank or spray type, shall be made of metal and have smooth surfaces, and be of such construction as to permit proper and complete washing and cleaning.

(2) The scalding tanks, when used, shall be so constructed as to prevent contami-

nation of potable water lines and to permit water to enter continuously at the rate of  $\frac{1}{4}$  gallon per bird per minute and to flow out through an overflow.

(iii) The overflow outlets in scalding equipment shall be of sufficient size to permit feathers and water to be carried off.

(iv) The overflow, draw-off valves, and sediment basin drain shall discharge into a floor or valley drain, or onto the floor in close proximity to a floor or valley drain.

(5) *Mechanical pickers.* When necessary, safety guards shall be installed around moving machine parts of mechanical pickers, and such guards shall be of such construction as not to be difficult or laborious to remove or to keep clean. Sheet metal or metal grills fastened down with sufficient bolts and wing nuts are preferable.

(6) *Wax finishing.* (i) When wax dipping is used, metal troughs shall be provided to catch the wax removed from the dipped poultry. Acceptable facilities and methods shall be employed in reclaiming the wax.

(7) *Ice chilling vats.* (i) Chilling vats or tanks used for chilling dressed poultry should be, and all replacements thereof and all chilling vats or tanks used for chilling ready-to-cook poultry shall be, made of metal or other hard-surfaced impervious material.

(ii) Ice shovels shall be smooth surfaced and made of metal.

(8) *Grading and packing bins.* Where grading bins are used for poultry, they shall be of sufficient number and capacity to handle the grading adequately without the use of makeshift bins; and all dressed poultry shall be kept off the floor. Grading bins may be made of metal or enameled wood and shall be constructed and maintained in such a manner as to allow easy and thorough cleaning. All replacements of such bins shall, however, be of metal.

(9) Except as otherwise provided herein, all equipment and utensils used in the killing, roughing, pinning, chilling and packing rooms shall be of metal or other impervious material and constructed so as to permit proper and complete cleaning.

(10) *Conveyors.* (i) Conveyors used in the preparation of ready-to-cook poultry shall be of metal or other acceptable material and of such construction as to permit thorough and ready cleaning and easy identification of viscera with its carcass and so designed as will present each carcass or all parts thereof in a way that will permit adequate, and efficient inspection.

(ii) Overhead conveyors shall be so constructed and maintained that they will not allow grease, oil, or dirt to accumulate on the drop chain or shackle which shall be of non-corrosive metal.

(iii) Non-metallic belt-type conveyors used in moving edible products shall be of water-proof composition.

(iv) When individual trays or other acceptable equipment are not used during eviscerating operations, each carcass shall be suspended and a metal trough shall be provided beneath the conveyor to extend from the point where the carcass is opened to the point where the viscera has been completely removed, and such troughs shall be flushed continuously by a water spray.

(11) Inspection, eviscerating, and cutting tables shall be made of metal and have coved corners and be so constructed and placed to permit thorough cleaning.

(12) In plants where no conveyors are used, each carcass shall be eviscerated in an individual metal tray of seamless construction.

(13) Water spray washing equipment with sufficient water pressure to thoroughly and efficiently wash carcasses shall be used for washing carcasses inside and out.

(14) Watertight metal receptacles shall be used for entrails and other waste resulting from preparation of eviscerated poultry.

(15) Watertight trucks and receptacles for holding or handling diseased carcasses and diseased parts of carcasses shall be so constructed as to be readily and thoroughly cleaned; such trucks and receptacles shall be marked in a conspicuous manner with the word "condemned" in letters not less than 2 inches high and, when required by the inspector in charge, shall be equipped with facilities for locking and sealing.

(16) Freezing rooms should be adequately equipped to freeze ready-to-cook poultry solid in less than 60 hours. Freezing rooms shall be equipped with floor racks or pallets and fans to insure air circulation.

(17) Cooling racks should be made of metal and be readily accessible for thorough washing and cleaning. All replacements of cooling racks shall be made of metal.

(18) Trucks and receptacles in which carcasses or parts thereof are held for further inspection shall be in such numbers and in such locations as the needs of the inspection in the plant may require. They shall be equipped for locking by means of lock and key and the key shall not leave the custody of the inspector in charge of the plant. Such trucks and receptacles shall be marked conspicuously with the word "retained" in letters not less than 2 inches high.

(1) *All equipment shall be so placed as to be readily accessible for all processing and cleaning operations.* (1) *Mechanical pickers.* When used in the plant, mechanical pickers shall be so installed as to be accessible for thorough cleaning and removal of the accumulation of feathers.

(j) Equipment and utensils used in the official plant shall not be used outside the official plant except under such conditions as may be prescribed or approved by the national supervisor, and equipment used in the preparation of any article (including, but not being limited to, animal food), from inedible material shall not be used outside of the inedible products department except under such conditions as may be prescribed or approved by the national supervisor.

#### MAINTENANCE OF SANITARY CONDITIONS AND PRECAUTIONS AGAINST CONTAMINATION OF PRODUCTS

(k) The premises shall be kept free from refuse, waste materials, and all other sources of objectionable odors and conditions.

(l) *Rooms, compartments, or other parts of the official plant in which products are handled and kept shall be kept clean and in sanitary condition.* (1) All feathers, blood, offal, birds or parts of birds too severely damaged to be salvaged, and all discarded containers and other materials shall be completely disposed of daily.

(2) All windows, doors, and light fixtures in the official plant shall be kept clean.

(3) All docks and rooms shall be kept clean and free from debris and unused equipment and utensils.

(4) Live poultry receiving docks and receiving rooms shall be of such construction as readily to permit their thorough cleaning.

(5) Floors in feeding rooms shall be cleaned with such regularity as may be necessary to maintain them in a sanitary condition.

(6) The killing, roughing, and pinning room shall be kept clean and free from offensive odors at all times.

(7) The walls, floors, and all equipment and utensils used in the killing, roughing and pinning room shall be thoroughly cleaned after each day's operation.

(8) The floors in the killing, roughing, and pinning room shall be cleaned frequently during roughing and finishing operations and be kept reasonably free from accumulated blood, feathers, manure, water, and dirt.

(9) All equipment in the toilet and locker room, as well as the room itself, shall be kept clean, sanitary, and in good repair.

(10) Cooler and freezer rooms shall be free from objectionable odors of any kind and shall be maintained in a sanitary condition (including, but not being limited to, the prevention of drippings from refrigerating coils onto products).

(m) *Equipment and utensils used for preparing or otherwise handling any product shall be kept clean and in a sanitary condition and in good repair.* (1) Batteries and dropping pans shall be cleaned regularly and the manure removed from the plant daily.

(2) The feed mixer shall be cleaned daily.

(3) Scalding tanks shall be completely emptied and thoroughly cleaned as often as may be necessary but not less frequently than once a day.

(4) Ice shovels shall be kept clean, free of corrosion, and shall be stored off the floor.

(5) All equipment and utensils used in the killing, roughing, and pinning rooms shall be thoroughly washed and cleaned after each day's operation. The chilling and packing room and equipment and utensils used therein shall be maintained in a clean and sanitary condition.

(6) Graders' and packers' gloves and grading bins shall be washed daily and used only for grading or packing, as the case may be.

(7) Chilling vats or tanks shall be emptied after each use. They shall be thoroughly cleaned once daily, and after each cleaning operation they shall be sanitized with such compounds or by such methods as may be approved or prescribed by the Administrator.

(8) *Thawing.* When frozen or chilled poultry is to be eviscerated, adequate tanks or vats shall be provided with running tap water or air-circulated water for thawing such poultry. Such poultry shall not be thawed in still water and the water used for thawing shall be changed after each lot of poultry is thawed. If water is heated it shall not be heated above 70° F. The tanks or vats shall be equipped with properly installed overflow pipes to discharge the water over floor drains or a valley drain. Where mechanical devices are not used for removing thawed carcasses, from the tanks or vats, the tanks or vats, as the case may be, shall be of such size as to enable employees to remove poultry without getting inside the tanks or vats.

(9) When synchronized overhead conveyors and tray conveyors are used, the trays shall be completely washed and sanitized after being automatically emptied of inedible viscera.

(10) When a conveyor tray operation is used, such trays shall be of metal of seamless construction and shall be completely washed and sanitized after each use.

(11) Tables, shelves, bins, trays, pans, knives, and all other tools and equipment used in the preparation of ready-to-cook poultry shall be kept clean and sanitary at all times. Cleaned equipment and utensils shall be drained on racks and shall not be nested.

(12) Drums, cans, tanks, vats, and other receptacles used to hold or transport dressed poultry, or eviscerated poultry, shall be kept in a clean and sanitary condition.

(n) *Operations and procedures involving the preparation, storing, or handling of any product shall be strictly in accord with clean and sanitary methods.*

(1) There shall be no handling or storing of materials which create an objectionable condition in rooms, compartments, or other places in the plant where any product is prepared, stored, or otherwise handled.

(2) The pinning and finishing operations shall be performed in a part of the room that is away from the killing and roughing operations.

(3) Blood from the killing operation shall be confined to a relatively small area and kept from being splashed about the room.

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(4) In finishing and cleaning dressed poultry, feed shall be removed from the crop and the fecal material in the cloaca shall be removed by venting and such operations shall be completed prior to or during the final washing, and prior to chilling, and packaging of dressed poultry.

(5) The head of each dressed poultry carcass shall be washed thoroughly to remove feed from the mouth and blood from the head and mouth.

(6) In the final washing, the carcass shall be passed through a system of sprays providing an abundant supply of fresh clean water either under pressure or scrubbing action.

(7) *Grading and packaging.* Dressed poultry may be graded and packaged in the killing, roughing, pinning, chilling, and packing room; however, such poultry shall be graded and packed in an area of the room which is well isolated from the killing and roughing operation.

(8) The floors in the eviscerating room shall be kept clean and reasonably dry during eviscerating operations and free of all refuse.

(9) Conveyors shall be operated at such speeds as will permit a sanitary eviscerating operation and will permit adequate inspection for condition and wholesomeness.

(10) Mechanized packaging equipment shall be maintained in good sanitary condition.

(11) All offal resulting from the eviscerating operation shall be removed as often as necessary to prevent the development of a nuisance.

(12) Paper and other material used for lining barrels or other containers in which products are packaged shall be of such kinds as do not tear readily during use, but remain intact when moistened by the product.

(13) Protective coverings shall be used for the product in the plant and as it is distributed from the plant, as will afford adequate protection for the product against contamination by any foreign substance (including, but not being limited to, dust, dirt, and insects), considering the means intended to be employed in transporting the product from the plant.

(14) Refuse may be moved directly to loading docks only for prompt removal.

(15) *Cleanliness and hygiene of personnel.* (1) All employees coming in contact with exposed edible products or edible products handling equipment shall wear clean garments and shall keep their hands clean at all times while thus engaged.

(ii) Hands of employees handling dressed poultry or edible products or edible products handling equipment shall be free of infected cuts, boils, and open sores at all times while thus engaged.

(iii) Every person after each use of toilet or change of garments shall wash his hands thoroughly before returning to duties that require the handling of dressed poultry or edible products, or containers therefor, or edible products handling equipment.

(iv) Neither smoking nor chewing of tobacco shall be permitted in any room where exposed edible products are prepared, processed, or otherwise handled.

(o) *Temperatures and procedures which are necessary for cooling and freezing of poultry in accordance with sound commercial practice shall be maintained in the coolers and freezers, and ice chilling temperatures and procedures shall also be in accordance with sound commercial practice—(1) Ice chilling.* (1) Only ice manufactured or produced from potable water may be used for ice chilling. The ice shall be handled and stored in a sanitary manner. If of block-type, the ice shall be washed before spraying with clean water before crushing. Metal ice crushers shall be washed at least once daily.

(ii) Enough clean crushed ice shall be used to maintain a temperature in vats or tanks under 40° F. at all times during chilling. Any dressed poultry carcass weighing less than 8 pounds shall not be permitted to remain in a chilling vat or tank for longer than six hours unless the water is drained. Any dressed poultry carcass weighing 8 pounds or more shall not be permitted to remain in a chilling vat or tank for longer than eight hours unless the water is drained. Any such poultry carcass, however, shall not be allowed to remain in a chilling vat or tank after the internal temperature of the carcass has been lowered to 36° F. unless the water is drained.

(2) *Air chilling.* In air chilling, dressed poultry shall be passed through a spray of clean water immediately following the removal of the feathers, and then hung on racks. Thereupon the racks of dressed poultry shall be placed in a refrigerated room with moderate air movements and a temperature which will reduce the internal temperature of the carcass to from 36° F. to 40° F., both inclusive, within 24 hours.

(3) *Freezing.* (1) When dressed poultry is packaged in bulk or shipping containers, the carcasses should be individually wrapped or packaged in water-vapor resistant cartons or the containers should be lined with heavy water-vapor resistant paper so as to assure adequate overlapping of the lining to completely surround the carcasses and to permit unsealed closure or sealing in such a manner that water-vapor loss from the product is considerably retarded or prevented. The dressed poultry should receive an initial rapid freezing under such packaging, temperature, air circulation, and stacking conditions which will result in freezing the carcasses solid in less than 60 hours. Any carcass weighing less than 8 pounds should freeze solid in from 30 to 40 hours, whereas a carcass weighing more than 8 pounds should freeze solid in from 48 to 60 hours. (The approximate highest temperatures which will attain this result under average to most favorable conditions, are -10° F. with circulated air and -20° F. with still air; however, freezing temperatures of -20° F. to -40° F. are desirable).

(ii) Frozen dressed poultry should be stored at 0° F. or below, with temperature maintained as constant as possible.

(4) Immediately after packaging, all dressed poultry and ready-to-cook poultry, other than that which is ice-packed or shipped from the plant in a refrigerated carrier, should be moved into the freezer; except, that a period not exceeding 72 hours shall be permitted for transportation and temporary holding before placing in the freezer provided such poultry is held at not above 36° F. The provisions in subparagraphs 1 and 3 of this paragraph, shall be applicable to ready-to-cook poultry.

(5) When poultry is packed in ice in barrels or other containers the barrels and containers shall be covered and shall have an adequate number of drain holes to permit water to drain out.

(p) *Every practicable precaution shall be taken to exclude flies, rats, mice, and other vermin from the official plant.* (1) Dogs, cats, and other pets shall be excluded from rooms where edible products and dressed poultry are processed, handled and stored.

(q) *No person affected with any communicable disease (including, but not being limited to, tuberculosis) in a transmissible stage shall be permitted in any room or compartment where exposed or unpacked dressed poultry or edible products are prepared, processed, or otherwise handled.*

(r) Table showing types of materials.

Equipment, utensils, and facilities	Iron	Rubber	Concrete	Stainless steel and monel metal	Aluminum	Galvanized iron	Copper (tin plated)	Porcelain or glazed tile
Batteries					A	A	A	
Overhead conveyors	A		A	A	A	A		
Conveyor track	A		A	A	A	A		
Shackle chain				A	A	A		
Shackles				A	A	A		
Blood trough	A	A	A	A	A	A		
Scalding vat	A	A	A	A	A	A		
Mechanical pickers	A	A	A	A	A	A		
Mechanical scrubber	A	A	A	A	A	A		
Wax dipping tank	A	A	A	A	A	A		
Trough for catching wax	A	A	A	A	A	A		
Water-spray cooling chamber					A	A	A	
Opening trough					A	A	A	
Eviscerating pans					A	A	A	
Inspection table (those parts which come in contact with product)					A	A	A	
Eviscerating trough					A	A	A	
Framework (of equipment)	A		A		A			
Inside and outside washer			A	A	A	A	A	
Gizzard, heart, and liver trimming tables					A	A	A	
Defrosting trucks					A	A	A	
Defrosting tanks					A	A	A	
Cooling racks					A	A	A	
Tanks or vats and other equipment used for cooling products					A	A	A	
Above-the-floor grease traps					A	A	A	
Utensils for handling edible products					A	A	A	
Boning and cooling tables, cutting surfaces					A	A	A	
Cooking kettles	A		A	A	A	A	A	

§ 70.40 *Authority of Administrator to amend minimum standards for sanitation, facilities, and operating procedures in official plants.* The Administrator is authorized to amend the provisions in § 70.39; and such amended provisions shall be applicable to official plants.

#### SUBPART B—UNITED STATES SPECIFICATIONS FOR CLASSES, STANDARDS, AND GRADES OF POULTRY AND EDIBLE PRODUCTS THEREOF

§ 70.101 *United States specifications for kinds and classes of live poultry, dressed poultry, and ready-to-cook poultry.* The specifications contained in this section apply to live poultry, dressed poultry, and individual carcasses of ready-to-cook poultry, in determining the kind of poultry and its class. The kinds of poultry are as follows: Chickens, turkeys, ducks, geese, guineas, and pigeons.

(a) *Chickens.* For the purpose of this section, the following classes of chickens are specified:

(1) *Broiler or fryer.* A broiler or fryer is a young chicken (usually under 16 weeks of age), of either sex, that is tender-meated with soft, pliable, smooth-textured skin and breastbone cartilage.

(2) *Roaster.* A roaster is a young chicken (usually under 8 months of age), of either sex, that is tender-meated with soft, pliable, smooth-textured skin and breastbone cartilage that is somewhat less flexible than that of a broiler or fryer.

(3) *Capon.* A capon is an unsexed male chicken (usually under 10 months of age) that is tender-meated with soft, pliable, smooth-textured skin.

(4) *Stag.* A stag is a male chicken (usually under 10 months of age) with coarse skin, somewhat toughened and darkened flesh, and considerable hardening of the breastbone cartilage. Stags show a condition of fleshing and a degree of maturity intermediate between that of a roaster and a cock or old rooster.

(5) *Hen or stewing chicken or fowl.* A hen or stewing chicken or fowl is a mature female chicken (usually more than 10 months old) with meat less tender than that of a roaster, and non-flexible breastbone.

(6) *Cock or old rooster.* A cock or old rooster is a mature male chicken with coarse skin, toughened and darkened meat, and hardened breastbone.

(b) *Turkeys.* For the purpose of this section, the following classes of turkeys are specified:

(1) *Fryer.* A fryer is a young turkey (usually under 16 weeks of age), of either sex, that is tender-meated with soft, pliable, smooth-textured skin, and flexible breastbone cartilage.

(2) *Young hen turkey.* A young hen turkey is a young female turkey (usually under 8 months of age) that is tender-meated with soft, pliable, smooth-textured skin, and breastbone cartilage that is somewhat less flexible than in a turkey fryer.

(3) *Young tom turkey.* A young tom turkey is a young male turkey (usually under 8 months of age) that is tender-meated with soft, pliable, smooth-textured skin and breastbone cartilage that is somewhat less flexible than in a turkey fryer.

(4) *Mature hen turkey or old hen turkey.* A mature hen turkey or old hen turkey is a mature female turkey (usually over 10 months of age) with toughened flesh and hardened breastbone that may have coarse or dry skin and patchy areas of surface fat.

(5) *Mature tom turkey or old tom turkey.* A mature tom turkey or old tom turkey is a mature male turkey (usually over 10 months of age) with coarse skin, toughened flesh, and hardened breastbone.

(c) *Ducks.* For the purpose of this section the following classes of ducks are specified:

(1) *Broiler duckling or fryer duckling.* A broiler duckling or fryer duckling is a young duck (usually under 8 weeks of age) of either sex, that is tender-meated and has a soft bill and soft windpipe.

(2) *Roasting duckling.* A young roasting duckling is a young duck (usually under 16 weeks of age), of either sex, that is tender-meated and has a bill that is not completely hardened and a windpipe that is easily dented.

(3) *Mature duck or old duck.* A mature duck or an old duck is a duck (usually over 6 months of age), of either sex, with toughened flesh, hardened bill, and hardened windpipe.

(d) *Geese.* For the purpose of this section, the following classes of geese are specified:

(1) *Young goose.* A young goose may be of either sex, is tender-meated, and has a windpipe that is easily dented.

(2) *Mature goose or old goose.* A mature goose or old goose may be of either sex and has toughened flesh and hardened windpipe.

(e) *Guineas.* For the purpose of this section, the following classes of guineas are specified:

(1) *Young guinea.* A young guinea may be of either sex and is tender-meated.

(2) *Mature guinea or old guinea.* A mature guinea or an old guinea may be of either sex and has toughened flesh.

(f) *Pigeons.* For the purpose of this section, the following classes of pigeons are specified:

(1) *Squab.* A squab is a young, immature pigeon of either sex, and is extra tender-meated.

(2) *Pigeon.* A pigeon is a mature pigeon of either sex, with coarse skin and toughened flesh.

§ 70.102 *United States specifications for standards of quality for live poultry on an individual bird basis—(a) General.* (1) The United States specifications for standards of quality for individual live birds contained in this section are applicable only to poultry of the kinds and classes set forth in § 70.101.

(2) Birds showing evidence of any disease or other condition which may render them unwholesome or unfit for human food shall not be included in any of the quality designations specified in this section.

(3) The following factors are considered in ascertaining the quality of an individual bird: (i) Health and vigor; (ii) feathering; (iii) conformation; (iv) fleshing; (v) fat covering; and (vi) the degree of freedom from defects.

(b) *Standards of quality—(1) A Quality or No. 1 Quality.* To be of A Quality or No. 1 Quality the live bird:

(i) Is alert, has bright eyes, and is of good health and vigor.

(ii) Is well feathered, with feathers showing luster or sheen and quite thoroughly covering all parts of the body; however, there may be a slight scattering of pinfeathers.

(iii) Is of normal physical conformation except that it may have a slightly curved breastbone or other slight abnormality in the shape of the breastbone which does not interfere with the normal distribution of the flesh. The bird may also have a slightly curved back. There may be a dent in the breastbone which does not exceed  $\frac{1}{8}$  inch in depth except that for turkeys the depth does not exceed  $\frac{1}{4}$  inch.

(iv) Has a well developed, moderately broad and long breast that is well-fleshed throughout its entire length; and the thighs and back are well covered with flesh according to the age and sex of the bird.

(v) Has the breast, back, hips, and pin bones well covered with fat, except that a fryer (whether chicken or turkey) and a young tom turkey may have only a moderate amount of fat covering these parts, and a hen, stewing chicken, or fowl does not have excessive abdominal fat.

(vi) Is free from tears and broken bones; however, it may have slight scratches, slight skin bruises, and slight callouses (i. e., slightly thickened, hardened, and darkened areas of skin over the breastbone), if these conditions do not materially affect the appearance of the bird, especially the breast. It may also have slightly scaly shanks.

(2) *B Quality or No. 2 Quality.* To be of B Quality or No. 2 Quality the live bird:

(i) Is of good health and vigor.

(ii) Is fairly well feathered (i. e., some feathers may be lacking on some parts of the body); however, there may be a moderate number of pinfeathers.

(iii) Is of normal physical conformation except that it may have a slightly crooked breastbone which does not seriously interfere with the normal distribution of the flesh. It may also have a moderately crooked back and slightly misshapen legs and wings.

(iv) Is fairly well fleshed in relation to length and depth of body, with all parts fairly well covered with flesh according to the age and sex of the bird.

(v) Has sufficient coverage of fat on breast and legs to prevent a distinct appearance of the flesh through the skin; however, a hen, stewing chicken, or fowl may have excessive abdominal fat.

(vi) Is free from tears, broken bones, severe breast blisters, heavy callouses (i. e., thickened, hardened, and darkened areas of skin over the breastbone) and seriously scaly shanks; however, it may have moderate skin bruises and slight flesh bruises.

(3) *C Quality or No. 3 Quality.* A live bird that does not meet the requirements of B Quality or No. 2 Quality may be of C Quality or No. 3 Quality and such bird may:

(i) Be lacking in vigor.

(ii) Have a large number of pinfeathers over all parts of its body and complete lack of plumage feathers on the back.

(iii) Have definite deformities (including, but not being limited to, a crooked breastbone, hunchback, and slight crippling).

(iv) Have a poorly developed, narrow breast and thin covering of flesh over all parts of its body.

(v) Have only a small amount of fat in the feather tracts and is completely lacking in fat on back and thighs; and

(vi) Have skin bruises, small or moderate flesh bruises, and severe breast blisters; however, it has no broken bones.

The term "Reject" is not a standard of quality within the purview of this section; however, such term may be used with respect to an individual live bird to indicate that it is affected by, or shows evidence of, any disease or condition (including, but not being limited to, large flesh bruises, severe discolorations, severe injury, and emaciation) which may render the bird unfit for human food.

§ 70.103 *United States specifications for standards of grades for live poultry—(a) General.* (1) The United States specifications for standards of grades for live poultry contained in this section are applicable to live poultry of the kinds and classes set forth in § 70.101 and are based upon United States specifications

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for standards of quality as set forth in § 70.102.

(2) Birds showing evidence of any disease or other condition which may render them unwholesome or unfit for human food shall not be included in any of the grade designations specified in this section.

(3) All terms in the United States specifications for standards of quality, as set forth in § 70.102, shall, when used in this section, have the same meaning as when used in the specifications.

(b) *Specifications for grades*—(1) *U. S. Grade A or U. S. No. 1*. Any lot of live poultry may be designated as U. S. Grade A or U. S. No. 1 if at least 90 percent, by count, of the birds are of A Quality or No. 1 Quality and the remainder are of B Quality or No. 2 Quality. When more than one container comprises the lot, no container shall have more birds of B Quality or No. 2 Quality than that specified in the following table:

[When lot consists of more than 1 container]		
Grade	Number of birds in container	Maximum number of B quality or No. 2 quality birds
U. S. Grade A or U. S. No. 1	Less than 10.....	1 bird.
	10 to 15, inclusive.....	2 birds.
	16 to 20, inclusive.....	3 birds.
	21 to 25, inclusive.....	4 birds.
	26 or more.....	5 birds.

(2) *U. S. Grade B or U. S. No. 2*. Any lot of live poultry may be designated as U. S. Grade B or U. S. No. 2 if at least 90 percent, by count, of the birds are of B Quality or No. 2 Quality, or better, and the remainder are of C Quality, or No. 3 Quality. When more than one container comprises the lot, no container shall have more birds of C Quality or No. 3 Quality than that specified in the following table:

[When lot consists of more than 1 container]		
Grade	Number of birds in container	Maximum number of C quality or No. 3 quality birds
U. S. Grade B or U. S. No. 2	Less than 10.....	1 bird.
	10 to 15, inclusive.....	2 birds.
	16 to 20, inclusive.....	3 birds.
	21 to 25, inclusive.....	4 birds.
	26 or more.....	5 birds.

(3) *U. S. Grade C or U. S. No. 3*. Any lot of live poultry may be designated as U. S. Grade C or U. S. No. 3 if it consists of birds of not less than C Quality or No. 3 Quality.

The term "No Grade" is not a grade within the meaning of this section. Such term may be applied to any lot of live poultry if such lot contains any birds of less than C Quality or No. 3 Quality or has not been graded in accordance with this section.

§ 70.104 *United States specifications for standards of quality for individual carcasses of dressed poultry and ready-to-cook poultry*—(a) *General*. (1) The United States specifications for standards of quality contained in this section

are applicable to individual carcasses of dressed poultry and ready-to-cook poultry of the kinds and classes set forth in § 70.101.

(2) Carcasses found to be unsound, unwholesome, or unfit for food shall not be included in any of the quality designations specified in this section. If the carcass is dressed poultry, determination of unsoundness or unwholesomeness will be based on external characteristics only.

(3) The quality designations specified in this section may not be made applicable to dressed poultry that is not free from the following conditions: Dirty head; bloody head; dirty carcass; bloody carcass; dirty vent; dirty feet; fan feathers on the wing tips; garter feathers around the hock joints; neck feathers; and, if the crop is not removed, feed in the crop.

(4) The A Quality designation may not be made applicable to any poultry carcass if the poultry was wet picked in such a manner that the skin has been damaged by extended immersion in, or high temperature of, the water which resulted in immediate discoloration or may result in later objectionable discoloration.

(5) The following factors are considered in ascertaining, pursuant to this section, the quality of an individual carcass: (i) Conformation; (ii) fleshing; (iii) fat covering; (iv) the degree of freedom from pinfeathers and vestigial feathers (i. e., hair or down, as the case may be); (v) the degree of freedom from tears, cuts (including, but not being limited to, any cut for the removal of the crop), disjoined bones, and broken bones; (vi) the degree of freedom from discolorations of the skin and of the flesh and of blemishes and bruises of the skin and flesh; and (vii) the degree of freedom from freezer burn.

(6) In addition to the respective requirements specified in this section for A Quality, B Quality, and C Quality, the intensity, aggregate area involved, and locations of all (i) discolorations (whether or not caused by dressing operations), (ii) bruises, (iii) pinfeathers, and (iv) freezer burn, as such combination of defects detracts from the general appearance of the carcass, will also be considered in determining the particular quality of an individual carcass.

(b) *Standards of quality*—(1) *A Quality*. To be of A Quality the carcass:

(i) Is of normal physical conformation except that it may have a slightly curved breastbone or other slight abnormality in the shape of the breastbone which does not interfere with the normal distribution of the flesh. The carcass may also have a very slightly curved back. There may be a dent in the breastbone which does not exceed  $\frac{1}{8}$  inch in depth except that for turkeys the depth does not exceed  $\frac{1}{4}$  inch.

(ii) Has a well-developed, moderately broad and long breast, well-fleshed throughout its entire length, with the flesh carrying sufficiently well up to the crest of the breastbone so that the

breastbone is not prominent; and, with respect to young tom turkeys, there may be a slight thickening and slight pouchiness of the skin on the forepart of the breast. The legs are well covered with flesh.

(iii) Has the breast, back, hips, and pin bones well covered with fat except that chicken broilers or fryers, turkey fryers, and young tom turkeys may have only a moderate amount of fat covering these parts, but a hen, stewing chicken, or fowl does not have excessive abdominal fat.

(iv) Is practically free from pinfeathers, especially on the breast, and is free from vestigial feathers (i. e., hair or down, as the case may be) if the carcass is dressed poultry. If the carcass is ready-to-cook poultry, it is free from protruding pinfeathers, practically free from nonprotruding pinfeathers, especially on the breast, and free from vestigial feathers.

(v) Is free from skin tears and cuts on the breast and legs; however, elsewhere on the carcass there may be tears and cuts (exclusive of the cuts usually made to remove the neck and viscera in the production of eviscerated poultry) the aggregate length of which does not exceed  $1\frac{1}{2}$  inches except that, with respect to any turkey carcass or goose carcass, such aggregate length does not exceed 3 inches. There are no sewn tears or cuts. The carcass has no disjoined bones or broken bones except that it may have one disjoined bone in either a leg or wing but only if there is no evidence of a related bruise or blood clot; and, if the carcass is of a chicken broiler or fryer, it may have one nonprotruding broken bone in a wing in addition to such disjoined bone but only if there is no evidence of a related bruise or blood clot. The wing tips may have been removed.

(vi) Is free from bruises and discolorations of the flesh on the breast and legs; however, elsewhere on the carcass there may be bruises and discolorations of the flesh showing not more than a slightly reddened color the aggregate area of which does not exceed the area of a circle  $\frac{1}{2}$  inch in diameter, except that, with respect to any turkey or goose carcass, such aggregate area does not exceed the area of a circle 1 inch in diameter. The carcass is free from skin bruises, on the breast and legs, the aggregate area of which exceeds the area of a circle  $\frac{1}{2}$  inch in diameter, and from skin bruises, elsewhere on the carcass, the aggregate area of which exceeds the area of a circle  $\frac{3}{4}$  inch in diameter. With respect to any turkey or goose carcass, such aggregate area on the breast and legs does not exceed the area of a circle  $\frac{3}{4}$  inch in diameter; and elsewhere on the carcass such aggregate area does not exceed the area of a circle  $1\frac{1}{2}$  inches in diameter. Notwithstanding the foregoing, the total aggregate area, on the breast and legs, of all such flesh bruises, skin bruises, and all other discolorations and blemishes of the skin, is not in excess of the area of a circle 1 inch in diameter; and elsewhere on the

carcass such total aggregate area is not in excess of the area of a circle 1½ inches in diameter. Furthermore, with respect to any turkey or goose carcass, such total aggregate area on the breast and legs is not in excess of the area of a circle 2 inches in diameter; and elsewhere on the carcass such total aggregate area is not in excess of the area of a circle 3 inches in diameter. The skin may show only slight reddening in the feather follicles on the neck, near the head, and on the wings because of improper bleeding.

(vii) Shows only slight freezer burn, or evidence thereof (i. e., a few pockmarks, or evidence thereof, none of which exceeds the area of a circle ½ inch in diameter).

(2) *B Quality.* To be of B Quality the carcass:

(i) Is of at least practically normal physical conformation except that it may have a dented, curved, and slightly crooked breastbone which does not seriously interfere with the normal distribution of flesh. The carcass may also have a moderately crooked back or misshapen legs or misshapen wings.

(ii) Is sufficiently well-fleshed on the breast and legs so as to prevent a thin appearance and a prominent breastbone; however, a young tom turkey may have a pouchy, thick, and somewhat flabby skin on the forepart of the breast.

(iii) Has a sufficient coverage of fat on the breast and legs to prevent a distinct appearance of the flesh through the skin.

(iv) Has not more than a slight scattering of pinfeathers over the entire carcass with only relatively few on the breast and is free from vestigial feathers (i. e., hair or down, as the case may be) if the carcass is dressed poultry. If the carcass is ready-to-cook poultry, it is free from protruding pinfeathers and vestigial feathers but may have not more than a few scattered, nonprotruding pinfeathers.

(v) Is free from tears and cuts, on the breast and legs, the aggregate length of which exceeds 1½ inches; however, elsewhere on the carcass there may be tears and cuts (exclusive of the cuts usually made to remove the neck and viscera in the production of eviscerated poultry), the aggregate length of which does not exceed 3 inches except that, with respect to any turkey or goose carcass, such aggregate lengths do not exceed 3 inches on the breast and legs and 6 inches elsewhere on the carcass. There are no sewn tears or cuts. The carcass may have not more than a total of 2 disjointed bones in either the legs or wings, or both, but only if there is no evidence of a related bruise or blood clot, and, in addition, 1 broken bone in a leg or wing, but only if it is nonprotruding and does not show an excessive related bruise or blood clot. The wing tips may have been removed.

(vi) Is free from bruises and discolorations, of the flesh on the breast and legs, showing not more than a slightly darkened color and which in the aggregate is in excess of the area of a circle ½ inch in diameter; however, elsewhere

on the carcass there may be bruises and discolorations of the flesh the aggregate area of which does not exceed the area of a circle 1½ inches in diameter, except that, with respect to any turkey or goose carcass, such aggregate area on the breast and legs does not exceed the area of a circle 1 inch in diameter, and, elsewhere on the carcass, it does not exceed the area of a circle 3 inches in diameter. The carcass is free from skin bruises, on the breast and legs, the aggregate area of which exceeds the area of a circle ¾ inch in diameter, and from skin bruises, elsewhere on the carcass, the aggregate area of which exceeds the area of a circle 1½ inches in diameter. With respect to any turkey or goose carcass, such aggregate area on the breast and legs does not exceed the area of a circle 1½ inches in diameter, and, elsewhere on the carcass, such aggregate area does not exceed the area of a circle 3 inches in diameter. Notwithstanding the foregoing, the total aggregate area on the breast and legs of all such flesh bruises, skin bruises, and all other discolorations and blemishes of the skin is not in excess of the area of a circle 1½ inches in diameter; and elsewhere on the carcass such total aggregate area is not in excess of the area of a circle 3 inches in diameter. Furthermore, with respect to any turkey or goose carcass, such total aggregate area on the breast and legs is not in excess of the area of a circle 3 inches in diameter; and elsewhere on the carcass such total aggregate area is not in excess of the area of a circle 6 inches in diameter. The skin may show not more than moderate reddening in the feather follicles on the neck, near the head, and on the wings and thighs because of improper bleeding.

(vii) Shows no more than moderate freezer burn, or evidence thereof, on any part of the carcass and no dried area in excess of the area of a circle ½ inch in diameter.

(3) *C Quality.* A carcass that does not meet the requirements of B Quality may be of C Quality and such carcass may:

(i) Be of abnormal physical conformation (i. e., possess serious abnormal physical conditions, including, but not being limited to, a crooked breastbone) if it is fairly well fleshed.

(ii) Be poorly fleshed and a young tom turkey may have a thick, coarse skin and extended breast that is pouchy or flabby.

(iii) Be lacking in fat covering, over all parts of the carcass.

(iv) Have numerous pinfeathers and vestigial feathers (i. e., hair or down, as the case may be) scattered over the entire carcass if the carcass is dressed poultry; if ready-to-cook poultry, the carcass is free from protruding pinfeathers and vestigial feathers, but may have nonprotruding pinfeathers that do not seriously detract from the appearance of the carcass.

(v) Have torn skin, disjointed bones, and broken bones but only if there is no evidence of a related severe bruise or blood clot. There are no sewn tears or cuts. Wing tips may have been removed.

(vi) Have numerous and large discolored areas or blemishes of the skin which may be accompanied by some reddening and darkening of the flesh beneath, if such discolored areas and blemishes do not render any part of the carcass unfit for food.

(vii) Show more than moderate freezer burn or evidence thereof (including, but not being limited to, numerous pockmarks or large dried areas) on any part of the carcass.

**§ 70.105 United States specifications for standards of grades for dressed poultry and ready-to-cook poultry—(a) General.** (1) The United States specifications for standards of grades for dressed poultry and ready-to-cook poultry are applicable to dressed poultry and ready-to-cook poultry of the kinds and classes as set forth in § 70.101 when individual carcasses are not separately identified and are based upon the United States specifications for standards of quality set forth in § 70.104 except the provisions in paragraph (a) (3) thereof.

(2) When any lot of dressed poultry is graded on the basis of an examination of each carcass in a representative sample thereof, any carcass that would be of A Quality if it did not possess any of the following conditions shall, for the purpose of this section, be considered as being of B Quality; dirty or bloody head of carcass, dirty feet or vent, fan feathers or neck feathers or garter feathers, or feed in the crop. Any carcass that would be of B Quality or C Quality if it did not possess any of the foregoing conditions shall, for the purpose of this section, be considered as being of C Quality.

(3) All terms in the United States specifications for standards for quality set forth in § 70.104 shall, when used in this section, have the same meaning as when used in the specifications.

(4) The suggested weight specifications for dressed poultry and ready-to-cook poultry contained in paragraph (c) of this section are not incorporated in the standards of grades for dressed poultry and ready-to-cook poultry since weight, as such, is not a factor of grade for the purpose of the standards in this section. It is recommended, however, that each container of dressed poultry and ready-to-cook poultry contain carcasses of the weights specified in paragraph (c) of this section.

**(b) Specifications for grades—(1) U. S. Grade A.** Any lot of dressed poultry or ready-to-cook poultry composed of one or more containers of carcasses of the same kind and class may be designated as U. S. Grade A if not less than 90 percent, by count, of the carcasses in such lot are of A Quality, the remainder is of B Quality, and no individual container in such lot contains more carcasses of B Quality than in the proportion of 2 to each 12 carcasses in the container.

**(2) U. S. Grade B.** Any lot of dressed poultry or ready-to-cook poultry composed of one or more containers of carcasses of the same kind and class may be designated as U. S. Grade B if not less than 90 percent, by count, of the car-

## RULES AND REGULATIONS

casses in such lot are of at least B Quality, the remainder is of C Quality, and no individual container in such lot contains more carcasses of C Quality than in the proportion of 2 to each 12 carcasses in the container.

(3) U. S. Grade C. Any lot of dressed poultry or ready-to-cook poultry may be

designated as U. S. Grade C if it consists of carcasses of not less than C Quality.

(c) *Suggested weight specifications for dressed poultry and ready-to-cook poultry.* The suggested weight specifications for dressed poultry and ready-to-cook poultry are contained in Tables I, II, III, and IV in this paragraph.

## DRESSED POULTRY

TABLE I—CHICKENS

Class of chickens	Weight range per carcass *		Weight range per dozen carcasses	Kinds and classes	Weight range per carcass	Minimum	Maximum	Weight range per dozen carcasses	Kinds and classes	Weight range per carcass	Minimum	Maximum
	Minimum	Maximum										
Broilers or fryers	None	1 pound 8 ounces	None	Broilers or fryers	None	1 pound 8 ounces	2 pounds	18 pounds	Broilers or fryers	None	1 pound 8 ounces	2 pounds
	Over 1 pound	8 ounces	Over 1 pound	8 ounces		Over 1 pound	8 ounces	21 pounds			Over 1 pound	8 ounces
	Over 2 pounds		Over 2 pounds	8 ounces		Over 2 pounds	8 ounces	30 pounds			Over 2 pounds	8 ounces
	Over 3 pounds		Over 3 pounds	8 ounces		Over 3 pounds	8 ounces	36 pounds			Over 3 pounds	8 ounces
	Over 3 pounds		Over 3 pounds	8 ounces		Over 3 pounds	8 ounces	42 pounds			Over 3 pounds	8 ounces
	Over 3 pounds		Over 3 pounds	8 ounces		Over 3 pounds	8 ounces	48 pounds			Over 3 pounds	8 ounces
	Over 3 pounds		Over 3 pounds	8 ounces		Over 3 pounds	8 ounces	54 pounds			Over 3 pounds	8 ounces
	Over 4 pounds		Over 4 pounds	8 ounces		Over 4 pounds	8 ounces	60 pounds			Over 4 pounds	8 ounces
	Over 4 pounds		Over 4 pounds	8 ounces		Over 4 pounds	8 ounces	66 pounds			Over 4 pounds	8 ounces
	Over 5 pounds		Over 5 pounds	8 ounces		Over 5 pounds	8 ounces	72 pounds			Over 5 pounds	8 ounces
	None		None			Over 5 pounds	8 ounces	84 pounds			None	
	Over 6 pounds		Over 6 pounds	8 ounces		Over 6 pounds	8 ounces	96 pounds			Over 6 pounds	8 ounces
	Over 6 pounds		Over 6 pounds	8 ounces		Over 6 pounds	8 ounces	108 pounds			Over 6 pounds	8 ounces
	Over 7 pounds		Over 7 pounds	8 ounces		Over 7 pounds	8 ounces	120 pounds			Over 7 pounds	8 ounces
	Over 7 pounds		Over 7 pounds	8 ounces		Over 7 pounds	8 ounces	None			Over 7 pounds	8 ounces
	Over 8 pounds		Over 8 pounds	8 ounces		Over 8 pounds	8 ounces	None			Over 8 pounds	8 ounces
	Over 9 pounds		Over 9 pounds	8 ounces		Over 9 pounds	8 ounces	36 pounds			Over 9 pounds	8 ounces
	Over 10 pounds		Over 10 pounds	8 ounces		Over 10 pounds	8 ounces	45 pounds			Over 10 pounds	8 ounces
	None		None			Over 10 pounds	8 ounces	60 pounds			Over 10 pounds	8 ounces
	Over 11 pounds		Over 11 pounds	8 ounces		Over 11 pounds	8 ounces	72 pounds			Over 11 pounds	8 ounces
	Over 12 pounds		Over 12 pounds	8 ounces		Over 12 pounds	8 ounces	None			Over 12 pounds	8 ounces
	Over 13 pounds		Over 13 pounds	8 ounces		Over 13 pounds	8 ounces	48 pounds			Over 13 pounds	8 ounces
	Over 14 pounds		Over 14 pounds	8 ounces		Over 14 pounds	8 ounces	60 pounds			Over 14 pounds	8 ounces
	Over 15 pounds		Over 15 pounds	8 ounces		Over 15 pounds	8 ounces	66 pounds			Over 15 pounds	8 ounces
	Over 16 pounds		Over 16 pounds	8 ounces		Over 16 pounds	8 ounces	72 pounds			Over 16 pounds	8 ounces
	Over 17 pounds		Over 17 pounds	8 ounces		Over 17 pounds	8 ounces	84 pounds			Over 17 pounds	8 ounces
	Over 18 pounds		Over 18 pounds	8 ounces		Over 18 pounds	8 ounces	96 pounds			Over 18 pounds	8 ounces
	Over 19 pounds		Over 19 pounds	8 ounces		Over 19 pounds	8 ounces	108 pounds			Over 19 pounds	8 ounces
	Over 20 pounds		Over 20 pounds	8 ounces		Over 20 pounds	8 ounces	120 pounds			Over 20 pounds	8 ounces
	Over 21 pounds		Over 21 pounds	8 ounces		Over 21 pounds	8 ounces	None			Over 21 pounds	8 ounces
	Over 22 pounds		Over 22 pounds	8 ounces		Over 22 pounds	8 ounces	12 pounds			Over 22 pounds	8 ounces
	Over 23 pounds		Over 23 pounds	8 ounces		Over 23 pounds	8 ounces	18 pounds			Over 23 pounds	8 ounces
	Over 24 pounds		Over 24 pounds	8 ounces		Over 24 pounds	8 ounces	24 pounds			Over 24 pounds	8 ounces
	None		None			None	None	None			None	

TABLE II—TURKEYS

Class	Weight range per carcass		Weight range per dozen carcasses	Kinds and classes	Weight range per carcass	Minimum	Maximum	Weight range per dozen carcasses	Kinds and classes	Weight range per carcass	Minimum	Maximum
	Minimum	Maximum										
Turkey fryers	None	6 pounds	None	Young hen turkeys or young tom turkeys	None	6 pounds	8 pounds	None	Turkeys and geese (all classes)	None	6 pounds	8 pounds
	Over 6 pounds	8 pounds	Over 6 pounds			Over 6 pounds	8 pounds	10 pounds			Over 6 pounds	8 pounds
	Over 8 pounds	None	Over 8 pounds			Over 8 pounds	None	12 pounds			Over 8 pounds	None
	Over 6 pounds	6 pounds	Over 6 pounds			Over 6 pounds	6 pounds	14 pounds			Over 6 pounds	6 pounds
	Over 8 pounds	8 pounds	Over 8 pounds			Over 8 pounds	8 pounds	16 pounds			Over 8 pounds	8 pounds
	Over 10 pounds	10 pounds	Over 10 pounds			Over 10 pounds	10 pounds	18 pounds			Over 10 pounds	10 pounds
	Over 12 pounds	12 pounds	Over 12 pounds			Over 12 pounds	12 pounds	20 pounds			Over 12 pounds	12 pounds
	Over 14 pounds	14 pounds	Over 14 pounds			Over 14 pounds	14 pounds	24 pounds			Over 14 pounds	14 pounds
	Over 16 pounds	16 pounds	Over 16 pounds			Over 16 pounds	16 pounds	28 pounds			Over 16 pounds	16 pounds
	Over 18 pounds	18 pounds	Over 18 pounds			Over 18 pounds	18 pounds	32 pounds			Over 18 pounds	18 pounds
	Over 20 pounds	20 pounds	Over 20 pounds			Over 20 pounds	20 pounds	36 pounds			Over 20 pounds	20 pounds
	Over 22 pounds	22 pounds	Over 22 pounds			Over 22 pounds	22 pounds	40 pounds			Over 22 pounds	22 pounds
	Over 24 pounds	24 pounds	Over 24 pounds			Over 24 pounds	24 pounds	44 pounds			Over 24 pounds	24 pounds
	None	None	None			Over 24 pounds	24 pounds	48 pounds			Over 24 pounds	24 pounds
Mature or old hen turkeys and mature or old tom turkeys	Over 10 pounds	10 pounds	Over 10 pounds			Over 10 pounds	10 pounds	52 pounds			Over 10 pounds	10 pounds
	Over 15 pounds	15 pounds	Over 15 pounds			Over 15 pounds	15 pounds	56 pounds			Over 15 pounds	15 pounds
	Over 20 pounds	20 pounds	Over 20 pounds			Over 20 pounds	20 pounds	60 pounds			Over 20 pounds	20 pounds

TABLE III—DUCKS, GEESE, GUINEAS, SQUABS, AND PIGEONS

Kind and class	Weight range per carcass		Weight range per dozen carcasses	Kinds and classes	Weight range per carcass		Minimum	Maximum
	Minimum	Maximum			Minimum	Maximum		
Ducks (all classes)	None	4 pounds	None	None	None	48 pounds	60 pounds	None
	Over 4 pounds	5 pounds	Over 4 pounds	None	None	60 pounds	66 pounds	None
	Over 5 pounds	None	Over 5 pounds	None	None	66 pounds	120 pounds	None
	Over 10 pounds	None	Over 10 pounds	None	None	120 pounds	18 pounds	None
	Over 12 pounds	None	Over 12 pounds	None	None	18 pounds	27 pounds	None
	Over 15 pounds	None	Over 15 pounds	None	None	27 pounds	6 pounds	None
	Over 20 pounds	None	Over 20 pounds	None	None	6 pounds	8 pounds	None
	Over 22 pounds	None	Over 22 pounds	None	None	8 pounds	10 pounds	None
	Over 24 pounds	None	Over 24 pounds	None	None	10 pounds	14 pounds	None
	Over 26 pounds	None	Over 26 pounds	None	None	14 pounds	18 pounds	None
	Over 28 pounds	None	Over 28 pounds	None	None	18 pounds	22 pounds	None
	Over 30 pounds	None	Over 30 pounds	None	None	22 pounds	26 pounds	None
	Over 32 pounds	None	Over 32 pounds	None	None	26 pounds	30 pounds	None
	Over 34 pounds	None	Over 34 pounds	None	None	30 pounds	34 pounds	None
	Over 36 pounds	None	Over 36 pounds	None	None	34 pounds	38 pounds	None
	Over 38 pounds	None	Over 38 pounds	None	None	38 pounds	42 pounds	None
	Over 40 pounds	None	Over 40 pounds	None	None	42 pounds	46 pounds	None
	Over 42 pounds	None	Over 42 pounds	None	None	46 pounds	50 pounds	None
	Over 44 pounds	None	Over 44 pounds	None	None	50 pounds	54 pounds	None
	Over 46 pounds	None	Over 46 pounds	None	None	54 pounds	58 pounds	None
	Over 48 pounds	None	Over 48 pounds	None	None	58 pounds	62 pounds	None
	Over 50 pounds	None	Over 50 pounds	None	None	62 pounds	66 pounds	None
	Over 52 pounds	None	Over 52 pounds	None	None	66 pounds	70 pounds	None
	Over 54 pounds	None	Over 54 pounds	None	None	70 pounds	74 pounds	None
	Over 56 pounds	None	Over 56 pounds	None	None	74 pounds	78 pounds	None
	Over 58 pounds	None	Over 58 pounds	None	None	78 pounds	82 pounds	None
	Over 60 pounds	None	Over 60 pounds	None	None	82 pounds	86 pounds	None
	Over 62 pounds	None	Over 62 pounds	None	None	86 pounds	90 pounds	None
	Over 64 pounds	None	Over 64 pounds	None	None	90 pounds	94 pounds	None
	Over 66 pounds	None	Over 66 pounds	None	None	94 pounds	98 pounds	None
	Over 68 pounds	None	Over 68 pounds	None	None	98 pounds	102 pounds	None
	Over 70 pounds	None	Over 70 pounds	None	None	102 pounds	106 pounds	None
	Over 72 pounds	None	Over 72 pounds	None	None	106 pounds	110 pounds	None
	Over 74 pounds	None	Over 74 pounds	None	None	110 pounds	114 pounds	None
	Over 76 pounds	None	Over 76 pounds	None	None	114 pounds	118 pounds	None
	Over 78 pounds	None	Over 78 pounds	None	None	118 pounds	122 pounds	None
	Over 80 pounds	None	Over 80 pounds	None	None	122 pounds	126 pounds	None
	Over 82 pounds	None	Over 82 pounds	None	None	126 pounds	130 pounds	None
	Over 84 pounds	None	Over 84 pounds	None	None	130 pounds	134 pounds	None
	Over 86 pounds	None	Over 86 pounds	None	None	134 pounds	138 pounds	None
	Over 88 pounds	None	Over 88 pounds	None	None	138 pounds	142 pounds	None
	Over 90 pounds	None	Over 90 pounds	None	None	142 pounds	146 pounds	None
	Over 92 pounds	None	Over 92 pounds	None	None	146 pounds	150 pounds	None
	Over 94 pounds	None	Over 94 pounds	None	None	150 pounds	154 pounds	None
	Over 96 pounds	None	Over 96 pounds	None	None	154 pounds	158 pounds	None
	Over 98 pounds	None	Over 98 pounds	None	None	158 pounds	162 pounds	None
	Over 100 pounds	None	Over 100 pounds	None	None	162 pounds	166 pounds	None
	Over 102 pounds	None	Over 102 pounds	None	None	166 pounds	170 pounds	None
	Over 104 pounds	None	Over 104 pounds	None	None	170 pounds	174 pounds	None
	Over 106 pounds	None	Over 106 pounds	None	None	174 pounds	178 pounds	None
	Over 108 pounds	None	Over 108 pounds	None	None	178 pounds	182 pounds	None
	Over 110 pounds	None	Over 110 pounds	None	None	182 pounds	186 pounds	None
	Over 112 pounds	None	Over 112 pounds	None	None	186 pounds	190 pounds	None
	Over 114 pounds	None	Over 114 pounds	None	None	190 pounds	194 pounds	None
	Over 116 pounds	None	Over 116 pounds	None	None	194 pounds	198 pounds	None
	Over 118 pounds	None	Over 118 pounds	None	None	198 pounds	202 pounds	None
	Over 120 pounds	None	Over 120 pounds	None	None	202 pounds	206 pounds	None
	Over 122 pounds	None	Over 122 pounds	None	None	206 pounds	210 pounds	None
	Over 124 pounds							

Issued at Washington, D. C., this 29th day of May 1951.

[SEAL] CHARLES F. BRANNAN,  
Secretary of Agriculture.

[F. R. Doc. 51-6457; Filed, June 4, 1951;  
8:48 a. m.]

## TITLE 50—WILDLIFE

### Chapter I—Fish and Wildlife Service, Department of the Interior

#### Subchapter E—Alaska Wildlife Protection

#### PART 46—TAKING ANIMALS, BIRDS, AND GAME FISHES

##### MOOSE

**Basis and purpose.** In the issuance of miscellaneous amendments to the regulations relating to the taking of animals, birds, and game fishes of Alaska, which amendments were signed by the Acting Secretary of the Interior on April 24, 1951, and published in 16 F. R. 3801 on May 1, 1951, an error was made in regard to the open season for moose in a portion of the "Palmer" area. This area is particularly important to the protection of these animals and I have determined that the following amendment to correct the existing regulation should be adopted.

Since the amendment simply corrects an error and does not constitute any restriction not intended to be imposed originally, I have determined that section 4 (a) of the Administrative Procedure Act (60 Stat. 237) does not apply, and this amendment shall be effective on July 1, 1951.

1. Section 46.104 is amended to read as follows:

§ 46.104 Moose. Bulls (with forked horns or larger).

East of longitude 138° W., September 15 to October 14. Limit, 1 a year. On the Kenai Peninsula, September 1 to September 20. Limit, 1 a year. Elsewhere west of longitude 141° W. (except in the Copper River Delta, Turnagain Arm, Northwest Arctic Slope and Alaska Peninsula areas as described in §§ 46.195 to 46.198, inclusive). September 1 to September 20 and December 1 to December 10. Limit, 1 a year. *Provided*, That there shall be no open season after September 20 (except by permit as described in § 165.3 of the Alaska Game Commission Regulations), in that area known as the Palmer area and described as follows:

Beginning at Mile 72 Alaska Railroad, containing all of the northern drainage into Turnagain Arm, all of the drainage into Knik Arm, all of the drainage of the Little Susitna River from its headwaters to its intersection with the Alaska Railroad, all of the eastern drainage to the Little Susitna River from the Railroad to its mouth, all of the drainage to Cook Inlet between the mouth of the Little Susitna River and Knik Arm.

There shall be no open season between meridians 138° and 141° W. longitude.

(Sec. 9, 43 Stat. 743, as amended; 48 U. S. C. 198)

OSCAR L. CHAPMAN,  
Secretary of the Interior.

MAY 29, 1951.

[F. R. Doc. 51-6435; Filed, June 4, 1951;  
8:45 a. m.]

## TITLE 32A—NATIONAL DEFENSE, APPENDIX

### Chapter III—Office of Price Stabilization, Economic Stabilization Agency

[Ceiling Price Regulation 7, Including Amdts. 1-5]

#### CPR 7—RETAIL CEILING PRICES FOR CERTAIN CONSUMER GOODS

Ceiling Price Regulation 7 is republished to incorporate the text of the Corrections issued February 27, 1951, and of Amdts. 1 through 5, inclusive. Ceiling Price Regulation 7 was issued February 26, 1951 (16 F. R. 1872). Statements of Consideration for Ceiling Price Regulation 7, and for Amdts. 1-5, inclusive, as previously published, are applicable to this republication. The effective dates of the amendments are shown in a note preceding the first section of the regulation.

##### REGULATORY PROVISIONS

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Sec.

42. Transfers of business.
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50. How to treat taxes.
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57. Petitions to amend this regulation.
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59. Definitions.

**AUTHORITY:** Sections 0 to 59 issued under Sec. 704; Pub. Law 774, 81st Cong. Interpret or apply Title IV, Pub. Law 774, 81st Cong., E. O. 10161, Sept. 9, 1950, 15 F. R. 6105.

**NOTE:** See Executive Order 10161, September 9, 1950 (15 F. R. 6105), and Economic Stabilization General Order No. 2, January 24, 1951 (16 F. R. 738).

**DERIVATION:** Sections 0-59 contained in Ceiling Price Regulation 7, February 26, 1951 (16 F. R. 1871), except as otherwise noted in brackets following text affected.

**EFFECTIVE DATES:** Correction, February 27, 1951, 16 F. R. 1949.

Amendment 1, March 19, 1951, 16 F. R. 2564.

Amendment 2, April 10, 1951, 16 F. R. 3006.

Amendment 3, April 26, 1951, 16 F. R. 3614.

Amendment 4, April 27, 1951, 16 F. R. 3649.

Amendment 5, May 28, 1951, 16 F. R. 5008.

###### Article I—Scope of Regulation

**SECTION 0. Introduction.** This regulation fixes ceiling prices for sales by retailers of a wide range of commodities. The pricing chart method of determining applicable mark-ups or margins is used. Retailers are required to file with the Office of Price Stabilization (hereafter referred to as OPS) a "list date pricing chart" and to fix their ceiling prices by using this chart. (Sample charts are shown in Appendix "A.") The list date under this regulation is February 24, 1951, except where another list date is specified in section 13 (b).

[Last sentence above added by Amdt. 2]

Article I tells you the scope of this regulation.

Article II tells you how to prepare your charts.

Article III sets forth the rules for computing ceiling prices by reference to your charts. It also tells you how to fix your ceiling prices if you cannot use the pricing rules.

Article IV prescribes rules for pricing in special cases (for example, up-stream and cross stream sales, transfers of business, sales of branded articles, etc.).

Article V contains general provisions such as record-keeping requirements, marking or posting ceiling prices, how to treat taxes, sales slips, prohibitions, etc.

**SEC. 1. What commodities are covered.** This regulation applies only to sales at retail of the articles listed in Appendix B. This includes a wide variety of consumer goods. They are grouped into categories and each category is given a category number. For example, men's and boys' underwear and nightwear constitute category 116. From time to time articles not listed may be added by amendments to this regulation.

## RULES AND REGULATIONS

This regulation supersedes the General Ceiling Price Regulation for all articles listed in Appendix B. It does not apply, however: (1) to such articles listed in Appendix B for which ceiling prices for sales at retail are hereafter established by other regulations; nor (2) to any article for which sales at retail are hereafter exempted or suspended from price control by this or any other regulation; nor (3) to any imported article if it is sold by the one who imports it; nor (4) to antiques (any article made prior to 1850).

**SEC. 2. What sales are covered.** This regulation applies to sales at retail. It applies to all sales to ultimate consumers of all kinds (including individual, commercial, and industrial users<sup>1</sup>) of articles which are "bought and sold in substantially the same form." (See definition in section 59.) It applies to sales to persons other than ultimate consumers (such as other retailers and wholesalers) if those sales customarily amount to less than 10 per cent of the retailer's total sales of articles covered by this regulation and the retailer's ceiling prices for those sales are fixed by Section 40.

**SEC. 3. What sellers are covered.** (a) This regulation applies to you if you are a seller whose sales to individual ultimate consumers of articles covered by this regulation constitute more than 10 percent of sales of the merchandise covered by this regulation which you buy and sell in substantially the same form. You may, however, elect to continue to fix your ceiling prices under the General Ceiling Price Regulation:

(1) For all articles covered by this regulation if all your sales to individual ultimate consumers are "accommodation sales" (see definition in section 59 of this regulation); or

(2) For articles in Categories 101 through 895; 920; and 1001 through 1030, if your annual net dollar volume of total sales of articles in those categories which you buy and sell in substantially the same form in all your departments taken together to individual ultimate consumers amounts to less than \$20,000; or

(3) For articles in Categories 901 through 908; 915 through 919; 921 through 924; 940 through 951; 970 through 985,

(i) If your<sup>2</sup> annual net dollar volume of total sales of articles in those categories which you buy and sell in substantially the same form in all your departments taken together to individual ultimate consumers amounts to less than \$60,000 or

(ii) If your<sup>2</sup> annual net dollar volume of total sales in all departments taken together of all merchandise which you buy and sell in substantially the same form amounts to less than \$100,000.

An election in accordance with the provisions of this paragraph must, if made, apply without exception to all

<sup>1</sup> Examples of ultimate consumers who are not individual ultimate consumers are hospitals, schools, and clubs.

<sup>2</sup> For the purpose of exercising this election, insofar as chain food stores are concerned, each retail outlet (or each department in such outlet) of the chain may be considered a seller, even though the chain determines uniform prices centrally.

categories in the group as to which the particular election is permitted. You may not subsequently alter an election made under this paragraph, except that if you are a seller permitted to elect to price under the provisions of the General Ceiling Price Regulation pursuant to this paragraph, you may, if you have already filed your chart, exercise this election by requesting the return of your chart from your OPS office on or before July 2, 1951.

The election provided in this paragraph does not apply to new sellers. As used in this paragraph "annual" means your most recent calendar or fiscal year (or if you were in business less than one year the dollar volume for the period you were in business projected to cover a one year period.)

[Paragraph (a) amended by Amdt. 5]

(b) When used in this regulation, the word "seller" refers to each single separate seller covered by this regulation. (1) If a seller makes sales at retail through more than one selling unit or department, each selling unit or department is considered to be a separate seller subject to all the provisions of this regulation. (2) A person who sells through salesmen making sales at uniform prices is a single seller. (3) All of the selling outlets of a chain, which are under common ownership or control and which are included in one group, zone, class or area to which immediately prior to January 26, 1951, the chain regularly sent invoices or statements showing the same selling prices for certain articles in a category (whether or not costs were shown), and which regularly sold those articles at such uniform prices, constitute, as to the categories in which those articles are included, a single seller.

[Paragraph (b) amended by Amdt. 3]

(c) Notwithstanding any other provisions of this regulation any seller at retail of an article for which a ceiling price has been established under section 43 (Uniform dollar and cents prices for certain articles) of this regulation or for which a ceiling price is established under a Supplementary Regulation to this regulation shall be permitted to sell the article at the price so established.

**SEC. 4. Where this regulation applies.** This regulation shall be applicable in the forty-eight states and the District of Columbia.

**SEC. 5. When to begin using pricing rules.** (a) You may begin to use the applicable pricing rules after you file your chart, but you must begin to use the rules not later than May 30, 1951 (unless you are a mail order establishment subject to paragraph (b) of this section). Where under the provisions of section 11 you file a part of your chart separately, you may begin using the rules for pricing the categories in any such part after you have filed it.

[Paragraph (a) amended by Amdts. 1, 2 and 4]

(b) If you operate a mail order establishment as defined in section 59 of this regulation you are not required to observe the pricing rules of this regulation as to any mail order sales of articles

covered by any of your catalogs, booklets, circulars, flyers, or other forms of printed lists which were printed before the list date. Your ceiling prices for such sales continue to be established by the General Ceiling Price Regulation for so long as the printed price lists remain in effect or until you establish a price for an article pursuant to the pricing rules of this regulation. However, you are required to observe the other requirements of this regulation and to price new articles, new catalogs, booklets, circulars, flyers or other forms of printed price lists on the basis of the pricing rules in this regulation.

#### Article II—Pricing Charts

**SEC. 11. Filing of charts.** (a) If you are a seller subject to this regulation you must prepare two copies of a list date pricing chart. The chart must be dated and must be signed by one of your officers or owners. A chart for an outlet which is itself a separate seller under this regulation or a department in a departmentalized establishment may be signed by the store manager or department head. One copy of the chart must be kept for your use and for inspection by the Office of Price Stabilization and the other must be filed with your OPS office<sup>3</sup> on or before May 30, 1951.

[Paragraph 11 (a) amended by Amdts. 1, 2 and 4]

(b) You may at your option prepare a separate list date chart for Categories 860-895; 901-924 and 940-985, and file that as a supplemental chart instead of including those categories as part of the initial list date chart prepared in accordance with this regulation. If you file a supplemental chart, you must prepare it in accordance with this regulation, numbering the pages as if they followed the last page of your original chart. One copy of this supplemental chart must be kept with your original list date chart for your use and for inspection by the OPS, and the other must be filed with your OPS office<sup>3</sup> on or before May 30, 1951.

[Paragraph (b) added by Amdt. 2]

(c) If, by the addition to this regulation of Categories 860-895; 901-924; and 940-985 you are a seller subject to this regulation, you must prepare two copies of a list date pricing chart in accordance with this regulation. One copy of the chart must be kept for your use and for inspection by the OPS and the other must be filed with your OPS office<sup>3</sup> on or before May 30, 1951.

[Paragraph (c) added by Amdts. 2 and 4]

**SEC. 12. Failure to file charts.** On and after May 30, 1951, you may not offer, sell, or deliver any article covered by this regulation unless you have filed the chart described above. On and after June 30, 1951, you may not offer, sell or deliver any article covered by this regulation until you have received from the

<sup>3</sup> Your OPS office is the District Office having jurisdiction over the area in which your store is located. If, however, you are a mail order establishment or the type of chain which under this regulation is a separate seller, your OPS office is the Distribution Price Branch, Office of Price Stabilization, Washington 25, D. C.

OPS an acknowledgment of the filing of your chart.

[Sec. 12 amended by Amdts. 1, 4]

**SEC. 13. Contents of charts; general.** Put at the top of your chart the following general information:

- (a) Your business name and address;
- (b) Your list date or list dates. Your list date is February 24, 1951, except:

(1) it is March 31, 1951, for Categories 860 to 895; 901 to 924; and 940 to 985;

(2) it is March 31, 1951, for all categories if after April 10, 1951, you first become subject to or first elect to become subject to the regulation.

In the event you were not open for business on the appropriate list date, your list date is the most recent date before that day on which you were open for business and offered for sale any article covered by the regulation.

[Paragraph (b) amended by Amdt. 2]

(c) Your type of store.<sup>8</sup> First, state whether it is a mail order establishment, a chain outlet, or an independent retail store; and second, state whether it is a men's and boys' clothing and furnishing store, a women's clothing store, an infants' and children's wear shop, a women's specialty shop, a millinery store, a shoe store, a department in a department store, a general merchandise store, a limited price variety store, a dry goods store, a furniture store, a home furnishings store, or other type of store. (A department in a departmentalized establishment must also state its department number or name; and a group of outlets which is a single seller under section 3 (b) must show the names and addresses of all retail outlets in the group.)

[Paragraph (c) amended by Amdt. 3]

(d) State which of the following brackets includes the approximate net dollar volume of your total retail sales of all commodities covered by this regulation in the calendar year 1950 or your most recent fiscal year:

Over—	Up to and including—
\$10,000	\$10,000
30,000	30,000
50,000	50,000
100,000	100,000
500,000	300,000
1,000,000	1,000,000
2,000,000	2,000,000
5,000,000	5,000,000
10,000,000	10,000,000
20,000,000	20,000,000

(A department in a departmentalized establishment may omit the volume of its retail sales if the establishment files a statement of its approximate total net dollar volume of retail sales of all commodities in all departments, although each department is required to file a separate chart.)

(e) Number each page of your chart.

**SEC. 14. Contents of charts: related general information.** This section tells what the chart must contain about the costs and offering prices of each cate-

<sup>8</sup>"Store" means a separate seller as defined in section 3(b), or the separate establishment or a department in the establishment at or from which you make sales to ultimate consumers. A mail order establishment is also called a store.

gory which you offered for sale on the list date. List the information in five (5) columns below the general information called for in the preceding section. List an article as "offered for sale on the list date" if it was in your store, unpacked, and available for sale on that date. (If you are a mail order establishment list an article as "offered for sale on the list date" if it was listed in one of your catalogs, booklets, circulars, flyers, or other printed price lists in effect on that date.)

If in the course of your business you regularly buy used or imperfect articles (including such articles when received as trade-ins) for the purpose of repairing and reconditioning them and selling them as reconditioned or repaired, in preparing your chart you shall omit every item which you repaired or reconditioned before sale. Note on the chart each category from which such items have been omitted.

If you offered for sale on the list date any article which you acquired by a transfer from another department or part of the same legal entity you must omit such article in preparing your chart.

When the phrase "you offered" is used in this regulation it means "you offered for sale on the list date." Before you begin to prepare your list date chart study the sample charts in Appendix A for the appropriate form. (The OPS will not supply chart forms.)

**SEC. 15. Column 1: List of categories offered for sale.** In the first column from the left, list by the number given for that category in Appendix B, each category which you offered. If you are including in a "general" category (as defined in Appendix B) any article not specifically listed for that category in Appendix B, list such article in parenthesis in column 1 immediately below the category number in which you are including it.

**SEC. 16. Column 2: List of net costs.** In the second column from the left, list opposite each category shown in column 1, the last "net cost" at which you bought each different article, style, model, or lot number in that category which you offered. Follow these directions for listing net costs:

(a) Find your "net cost" by deducting all discounts (including cash discounts) from the invoice cost on the last invoice you received<sup>9</sup> before the list date for a particular article, style, model or lot number which you have listed. In order that markups on your chart may as nearly as possible reflect your normal markups, if your last invoice was received after January 1, 1951 and your selling price on the list date was unchanged from your initial offering price based on the next to the last invoice which you had received for that article prior to February 24, 1951, you may list the net cost on the next to the last invoice received prior to February 24, 1951. Deduct discounts you could have taken whether you took them or not. No freight, handling charge, OPS adjust-

<sup>9</sup>If you are an outlet of a chain not included in a group of outlets for which your central office is permitted to use the same pricing chart in accordance with section 3 (b) of this regulation, you may use the invoice furnished by your central office.

ment charge, or other similar charge may be added.

[Paragraph (a) amended by Amdts. 2 and 4]

(b) List your net costs in order from the lowest to the highest.

(c) List each different net cost separately even though you bought other articles, styles, models, or lot numbers in the category for the same gross invoice cost. Thus, if you bought three different articles, styles, models, or lot numbers in a category at \$3.50, 8/10 EOM,<sup>4</sup> \$3.50, 3/10 EOM, or \$3.50 net, list each of these net costs separately as \$3.22, \$3.40, and \$3.50, respectively.

(d) List each different net cost only once in the category even though you offered more than one article, style, model, or lot number of that net cost in that category.

(e) If you offered a particular style, model, or lot number which you bought at more than one net cost, list only the net cost shown on the last invoice you received before the list date for that style, model, or lot number, unless you are permitted by paragraph (a) of this section to use an earlier invoice.

(f) List each net cost per unit. Thus, if you buy at "per dozen" prices divide the net cost per dozen by 12 and list the result as your net cost per unit. Similarly, if you buy at a price per gross or per hundred, divide your net cost per gross by 144, or per hundred by 100 to find your net unit cost.

(g) You may round your cost to the nearest cent. Thus, you may list \$1.735 as \$1.74 and \$1.734 as \$1.73.<sup>1</sup>

**SEC. 17. Column 3: Offering prices.** In the third column from the left, list opposite each net cost shown in column 2, each different price at which you offered to your most numerous class of purchaser<sup>2</sup> an article of that category having that net cost. Follow these directions for listing offering prices:

(a) Do not list offering prices which are higher than your ceiling price for the article on the list date. If your offering price was higher than your ceiling price on the list date you must list your ceiling price.

(b) To avoid the distortion caused by markdowns you may list as your offering price for an article either the price at which you actually offered it on the list date or the price at which you offered the article when you first offered it for sale. If you list your first offering price rather than your list date offering price, place the letter "M" after the price in this column.

(c) To avoid the distortion caused by your having re-marked an article prior

<sup>4</sup>An alternative method for preparing charts for and pricing categories 701 to 752, which permits freight to be reflected is provided in Supplementary Regulation 2 to this regulation.

<sup>5</sup>"8/10 EOM" means 8 percent discount if paid within 10 days after the end of the month.

<sup>6</sup>You may, if you wish, list your gross invoice cost per dozen, per gross, or per hundred, and your purchase discounts, in parentheses, following the net unit cost. Thus, you might list \$1.29 (\$16.00, 3/10 EOM per doz.).

<sup>7</sup>This will be the class containing the greatest number of purchasers. If you have more than one class of purchaser, use a footnote to show the class of purchaser used in preparing your chart. Section 30 provides that other classes of purchasers must get their customary differentials.

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to January 26, 1951, to a price greater than that at which you first offered it, you must list in column 3 the price at which you first offered it. If you list such a price you must place a letter "U" after the price in column 3.

(d) To avoid the distortion caused by your having initially marked an article since December 1, 1950, at a price greater than that at which you normally would have marked that article you must list in column 3 the price at which you normally would have marked that article (as, for example, if you had marked the article in anticipation of an increase in replacement cost). You must put the actual price at which you offered the article on the list date in parenthesis beside the net cost in column 2 and place a letter "R" after each such price listed in column 3.

(e) If your offering price includes a tax on a particular sale or delivery (such as a sales tax or a compensating use tax) which the law permits you to state separately from the price, you must deduct the full amount of such tax included in your offering price before you list it. You need not deduct from your offering price any tax which you stated separately from and in addition to your offering price.

(f) You will find that in some cases you have listed more than one offering price opposite a single net cost in a particular category. You must draw a circle around one of these prices; section 19 tells you which offering price to circle. To select your circled price you first have to find your average percentage markup for the category. Section 18 explains how to find a category average percentage markup.

**SEC. 18. Category average percentage markup.** Compute your average percentage markup for a category as follows:

**Step 1.** Add together all the net costs listed for that category in column 2. To find the correct average, you must, of course, add together an equal number of costs and offering prices. Therefore, just for purposes of this step (you should use a separate work sheet), you must add in each net cost as many times as you have listed different offering prices opposite it;

**Step 2.** Add together all the offering prices listed in column 3 for that category;

**Step 3.** Subtract the total of the net costs found in Step 1 from the total of the offering prices found in Step 2;

**Step 4.** Divide the remainder found in Step 3 by the total of the net costs found in Step 1. The result is your average percentage markup on cost.<sup>9</sup> When you have found your average percentage markup for a category, enter it in column 1 for that category.

**Example:** The way to compute average percentage markup for men's and boys'

<sup>9</sup> You may, if you wish, figure your percentage markups as "margins on selling price" instead of on your net cost, but you must use the same method of figuring all percentage margins and average percentage margins. If you have chosen to list margins on selling price, you must state this on your chart, and must use margins on offerings (or selling) price wherever this regulation refers to a markup over net cost.

shirts, category 117, may be illustrated as follows:

Total the net costs	Total the offering prices
\$1.21	\$1.98
1.25	1.98
1.38	2.25
(1.38)	2.50
1.82	2.98
1.94	3.50
3.64	5.95
(3.64)	6.95
5.34	7.95
(5.34)	8.95
—	—
26.94	44.99

(Note that the costs in parentheses appear only on your work sheet. They do not appear on your chart.)

Subtract the total of the net costs from the total of the offering prices (\$44.99 - \$26.94 = \$18.05). Divide the remainder, \$18.05 by the total of the costs, \$26.94 (\$18.05 / \$26.94 = 67%). The result, 67 percent, is the average percentage markup on cost for category 117. Enter 67% in column 1.

**SEC. 19. Circled price.** Where you have listed more than one offering price opposite a single net cost in a particular category, you must draw a circle around the offering price which comes closest to reflecting the average percentage markup for the category. If the price you get is midway between two offering prices, draw a circle around the lower of the two.

**Example.** You have listed offering prices of \$2.88, \$3.00 and \$3.25 for a net cost of \$2.00 in category 202, and your average percentage markup for category 202 is 52%. To apply this rule multiply \$2.00 by 52% ( $\$2.00 \times 0.52 = \$1.04$ ) and add \$2.00 to the result ( $\$2.00 + \$1.04 = \$3.04$ ) resulting in a price of \$3.04. When you look at the three offering prices which you have listed for a \$2.00 net cost, you find that the offering price closest to \$3.04 is \$3.00. Therefore, \$3.00 is the "circled" price.

If your average percentage markup had been 47% you would have found a price of \$2.94 ( $\$2.00 \times 0.47 = \$0.94$ ;  $\$2.00 + \$0.94 = \$2.94$ ). Since \$2.94 is midway between your listed offering prices of \$2.88 and \$3.00, you would have selected the lower of the two, and \$2.88 would have been your circled price.

**SEC. 20. Column 4: Percentage markups.** In the fourth column from the left, list the percentage markup for each different net cost listed in column 2. If more than one offering price is listed opposite the same net cost in a category, you list the percentage markup for the circled price only. To figure a percentage markup, subtract the net cost listed in column 2 from the offering price listed opposite it in column 3, and divide the difference by the net cost. Round the result to one decimal place. For example, you should list 53.72 percent as 53.7 percent and 53.75 percent as 53.8 percent.

**Example.** If you have listed a net cost of \$3.22 and an offering price of \$4.95, you subtract \$3.22 from \$4.95 ( $\$4.95 - \$3.22 = \$1.73$ ) and divide the difference, \$1.73, by the net cost, \$3.22 ( $\$1.73 / \$3.22 = 0.53778$ ). Your percentage markup over cost for your \$3.22 net cost is, therefore, 53.8%. Enter 53.8% in Column 4 opposite the \$3.22 net cost.

**SEC. 21. Column 5: List of invoices—(a) What invoices must be listed.** In the fifth column from the left, list one invoice for every offering price shown in column 3. The invoice you list must cover your purchase at the correspond-

ing net cost listed in column 2 for an article of that category which you offered at that price. If pursuant to section 16 (a) you have listed in column 1 a net cost from an invoice other than the last invoice you got before the list date, you must place a letter "E" beside the invoice listed in column 5.

**(b) How to list an invoice.** State your supplier's name and the date and number of the invoice. In parenthesis following the listing of the invoice you must identify the article the purchase of which at the cost shown in column 2 is covered by the invoice. (An alternative method of listing invoices is provided in Supplementary Regulation 2 to this regulation.)

**(c) Inspection of invoices.** On request you must supply for examination to the OPS or its agent any invoice which you have listed in column 5.

**SEC. 22. Amendment of charts—(a) Amendment by seller.** If you find that you have filed an incorrect chart you must file an amendment to your chart with the OPS office where you filed your original chart and you must attach to the amendment a statement explaining why the changes conform your chart to the requirements of the regulation.

**Example.** If you wish to amend an inaccurate offering price listed on your original chart, you must also recompute your average percentage markup for that category, and reexamine your circled prices for that category to see if the new category average percentage markup requires a change in any of them. If changes are required, the amendment to your chart must show all the corrections which were necessary.

You may not use the amendment to your chart in fixing ceiling prices until you have received acknowledgment from your OPS office of receipt of the amendment.

**(b) Amendment by Office of Price Stabilization.** The OPS may at any time issue an order amending your chart to bring your mark-ups into line with mark-ups established by this regulation for sellers of the same class. Also, upon examination of your chart and any amendment thereto if the records necessary to substantiate information appearing on your chart or the amendment are inadequate the OPS may issue an order amending your chart to bring the mark-ups in line with the level of mark-ups established under this regulation.

### Article III—Computing Ceiling Prices

**SEC. 30. How to compute ceiling prices.** To compute your ceiling price for the sale to an ultimate consumer, of an article covered by this regulation, refer to your chart and use the first applicable pricing rule found below in this Article III. (Note that sales covered by this regulation to persons other than ultimate consumers must be priced under section 40, "Upstream" and "Cross Stream" Sales and sales of "Cross Stream" articles to ultimate consumers.)

In applying these rules, you must compute your ceiling price for each article to the class of purchaser you used in preparing your chart and apply your customary differentials to that price to find your ceiling price to all other classes of purchasers. You may not change the

terms, allowances, discounts, or differentials which you customarily gave to various classes of purchasers, if the change would result in a higher net price.

Wherever this regulation refers to a list date chart it means only a chart correctly prepared in accordance with sections 13 to 21 of this regulation. If your chart is improper or inaccurate, your ceiling prices shall be prices computed on the basis of a correct chart.

**SEC. 30a. "Permitted increase."** Various OPS regulations may provide for increases in your supplier's ceiling prices. Some of these regulations may require your supplier to break down his price to you into two parts, the first part being the basic price and the second part a "permitted increase" (that is, the portion of the increase granted your supplier which the regulation allows you to pass on to the consumer). You must use the basic price (without adding the "permitted increase") to find your net cost for determining your ceiling price under this regulation. Then you may add the amount designated as a "permitted increase" to your ceiling price as otherwise determined under this regulation.

[Sec. 30 (a) added by Amdt. 2]

**SEC. 31. Net cost: OPS adjustment charge.** "Net cost," in this regulation means net unit cost of an article after deducting all discounts you could have taken, or your supplier's ceiling price<sup>10</sup> for the article, whichever is lower. (You may round your cost to the nearest cent.) You may not include in "net cost" any item on an invoice received by you labelled "OPS adjustment charge." Freight, handling charge, or other similar charges may not be added."

**SEC. 32. Rule 1: Articles belonging to a category on your chart and with a net cost listed on your chart.** If the article you are pricing is in a category listed in Column 1 of your chart, and if it has a net cost listed in column 2, its ceiling price is the offering price you listed in column 3 for that net cost and category. If you have a circled price for that net cost and category, the circled price is the ceiling price for the article.

**Example.** You wish to price a pair of men's pajamas which cost you \$1.29 net. On your chart you have listed offering prices of \$2.00 and \$2.24 for a \$1.29 net cost in category 116. You have circled \$2.00. Therefore, your ceiling price for these pajamas is \$2.00 per pair.

If you had listed only one price \$2.24 for a \$1.29 net cost, your ceiling price would be, of course, \$2.24.

**SEC. 33. Rule 2: Articles belonging to a category listed on your chart but hav-**

<sup>10</sup>If you operate an outlet of a chain not included in a group of outlets for which your central office is permitted to use the same pricing chart in accordance with section 3(b), and if your chart was not prepared on the basis of net cost of articles to your central office, "your supplier's ceiling price" for articles shipped to you by your central office is the amount shown on your central office's invoice to you correctly prepared under Supplementary Regulation 1 to this Regulation.

<sup>11</sup>An alternative method for pricing categories 701-752 which permits freight to be reflected is provided in Supplementary Regulation 2 to this regulation.

ing a net cost lower than the lowest cost listed for that category. If the article you are pricing has a net cost lower than the lowest net cost listed for that category in column 2 of your chart, you compute your ceiling price by multiplying the net cost of the article by the average of the percentage markups in column 4 of the two lowest costs shown on the chart for that category, and adding the result to the net cost.

**Example.** You wish to price a girl's sweater having a \$1.94 net cost. The two lowest net costs on your chart for category 208 are \$2.07 and \$2.26. The percentage markups listed for the last two are 55.6% and 54% respectively. You average the last two ( $55.6 + 54 = 109.6 \div 2 = 54.8$ ) and find that 54.8% is the average. The ceiling price for the sweater is found by multiplying \$1.94 by 54.8 ( $1.94 \times 54.8 = 1.06$ ) and adding the result, \$1.06 to \$1.94 ( $1.94 + 1.06 = 3.00$ ). The total, \$3.00 is your ceiling price.

**SEC. 34. Rule 3. Articles belonging to a category listed on your chart, but having a net cost higher than the highest cost listed for that category.** If the article you are pricing has a net cost higher than the highest net cost listed for that category in column 2 of your chart, you compute your ceiling price by multiplying the net cost of the article by the lower of (a) the average of the percentage markups listed in column 4 for the two highest costs shown on the chart for that category, or (b) the average percentage markup for the category, and adding the result to the net cost.

**Example.** You wish to price a woman's slip having a \$7.95 net cost. The two highest net costs on your chart for category 211 are \$8.95 and \$5.95. The percentage markups listed for the last two are 67.6% and 63.5%, respectively. You average the last two ( $67.6 + 63.5 = 131.1 \div 2 = 65.6$ ) and find 65.6%. The category average percentage markup for category 211 is 67%. Since the average of the percentages for the two highest cost lines (65.6%) is lower than the category average (67%), you use 65.6% to find the ceiling price of the slip. The ceiling price for the slip is found by multiplying \$7.95 by 65.6 ( $7.95 \times 65.6 = 5.22$ ) and add the result \$5.22 to the net cost, \$7.95 ( $7.95 + 5.22 = 13.17$ ). The total, \$13.17 is the ceiling price.

**SEC. 35. Rule 4. Articles belonging to a category listed on your chart but having a net cost between two net costs listed for that category.** (a) If the article you are pricing has a net cost between two net costs listed for that category (except between the two lowest net costs for the category) in column 2 of your chart, you compute your ceiling price by multiplying the net cost of the article by the lower of (1) the percentage markup listed in column 4 for the net cost next lower than the one you are pricing, or (2) the average percentage markup listed for that category in column 1, and adding the result to the net cost.

**Example:** You wish to price a man's shirt with a net cost of \$1.47. You have not listed any net cost of \$1.47 for category 117, but you have listed net costs of \$1.50 and \$1.46. Your percentage markup for your \$1.46 net cost is 54%. Your average category markup for category 117 is 53.1%. Since 53.1% is the lower, your ceiling price is found by multiplying the net cost \$1.47 by .531 ( $1.47 \times .531 = .78$ ) and adding the result, \$.78 to \$1.47. The total (\$1.47 + .78 = \$2.25) \$2.25 is the ceiling price.

[Paragraph (a) amended by Amdt. 1]

(b) If the article you are pricing has a net cost between the two lowest net costs listed for that category in column 2 of your chart, you compute your ceiling price for that article by using Rule 2 (section 33).

**SEC. 36. Rule 5: Articles belonging to a category comparable to a category listed on your chart.** If the article you are pricing does not belong to a category which is listed in column 1 of your chart, look in Appendix C where you will find for each category a list of other categories which are "comparable" to that category. See whether column 1 of your chart contains the first comparable category listed in Appendix C for the category to which the article you are pricing belongs. If it does not contain the first comparable category, see whether you have listed in column 1 the second, then the third, and so on until you find a comparable category which is listed on your chart. Then compute your ceiling price by applying Rules 1, 2, 3, or 4, as if the article you are pricing belonged in that comparable category.

**Example.** You have not listed category 701 on your chart, but now purchase a bedroom suite at a net cost of \$85.00. You look in Appendix C and find that categories 706, 708, 714, 703, and 710 are listed as comparable to category 701. When you look in column 1 of your chart to see whether you have listed any of these categories. You have not listed category 706 on your chart, but you have listed category 708. Rule 5 requires you to figure your ceiling price for this bedroom suite as if it belonged to category 708. You find that you have listed a net cost of \$85.00 in column 2 for category 708, and an offering price of \$150.00 in column 3 for that net cost. You therefore apply Rule 1 and your ceiling price for the bedroom suite is \$150.00.

**SEC. 37. Rule 6. Articles belonging to a category where your chart has at least three categories in the same group of categories.** If the article you are pricing is not in a category on your chart and you have no comparable category but you do have on your chart at least three categories in the same group<sup>11</sup> of categories, you compute your ceiling price under this rule. (If you cannot price under this rule you determine your price under section 39 which provides for the use of a markup table or in special instances for application for a pricing method.)

**(a) Groups of categories.** All categories are divided into the following groups:

Group I—Categories 101-607.

Group II—Categories 701-752.

Group III—Categories 801-854.

Group IV—Categories 1001-1030.

**(b) Pricing method.** (1) List the appropriate categories and category average percentages. If you have at least three categories of the appropriate group<sup>11</sup> on your chart, you list as many of these categories as you have on your chart, setting forth opposite each, your

<sup>11</sup>"Group" as defined for this purpose includes any category which appears in the appropriate series of category numbers excluding categories 105A, 105B, 105C, 105D, 204, 214, 353, and 803D.

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average percentage markup<sup>12</sup> for each category. Note: You may not use this rule for a category in Group II (701-752) if your chart for these categories was prepared pursuant to the alternative method provided in Section 5 of Supplementary Regulation 2 to this regulation.

(2) Compute the "group average" for these categories. You do this by adding together all the average markups for the categories you have listed and dividing this sum by the number of categories which you have listed.

(3) Apply table in Appendix D. Turn to the table in Appendix D. The top row of the table is divided into a series of percentage brackets. In the first column to the left find the category number which includes the article you are pricing. Follow this category number across and find the markup which appears in the column under the percentage bracket which includes the "group average" which you computed under subparagraph (2). This is your percentage markup over cost for the new category.

(4) Multiply the net cost of the article you are pricing by this percentage markup. Add the result to the net cost of the article. This final result is your ceiling price for the article you are pricing.

*Example.* You wish to price a set of boy's ear muffs on which your net cost is 50 cents. Ear muffs belong to category 123 on the CPR 7 chart. You find, on examining your chart, that neither this category, nor any one of the "comparable" categories is listed on your chart.

Since category 123 belongs to the group of categories numbered from 101-607 inclusive, you look on your chart to find whether you have listed at least three categories in this group. If you do not have at least three such categories listed on your chart (excluding categories 105A, 105B, 105C, 105D, 204, 214 and 353), you cannot use this pricing rule and the ear muffs must be priced under section 39.

Let us assume that actually you have listed on your chart articles belonging to eight categories of this group of numbers. These categories have percentage markups over cost as follows:

Category: markup	Average percentage	Category: markup	Average percentage
102-----	63	215-----	62
105-----	63	217-----	63
110-----	63	302-----	65
116-----	65	304-----	60

You must compute your "group average" for all these categories by adding the average markups for these categories and dividing the result by the number of categories which you have listed above ( $509 \div 8$ ). Your "group average" is 63.625%.

You next turn to the table in Appendix D. In the first column to the left you will find a series of category numbers. Follow this column downward until you reach category 123.

<sup>12</sup> Computations under this section are based on markups over cost. If you are on the "retail system," that is, if your chart markups are expressed as percentages of selling prices, you must convert your category markups to markups over cost. You do this by subtracting your average percentage margin on selling price for the category from 100%. You divide the result thus obtained into your percentage margin on selling price. After the percentage margin on selling price for all your categories have been converted to markups on cost you proceed as set forth above.

Follow this row across the table until you come to the percentage bracket appearing in the top row of the table which includes your "group average"—in this case the bracket designated "over 62 including 65." At this point you will find that the allowable percentage markup for category 123 is 65.7%. This is your percentage markup for this category and for the article you are pricing.

You next multiply the net cost of the article you are pricing by this percentage markup ( $.50 \times .657 = .328$ ). Add this figure to your net cost of the article you are pricing ( $.50 + .328 = .828$ ). The result, .828, is your ceiling price for the article you are pricing.

(5) Group averages above table in Appendix D. If, in pricing a category included in Group I (101-607), your group average is over 101 percent; in Group II (701-752) over 127 percent; Group III (801-854) over 101 percent; and, Group IV (1001-1030) over 109 percent, you find your percentage markup over cost by multiplying your group average by the multiplier listed for that category in Appendix F.

*Example:* If you are a house to house seller and have a "group average" of 150% for your categories in the group 101 to 607, inclusive, and you now wish to sell handbags (category 218) which you find you must price under this rule, you determine your markup over net cost as follows: refer to the multiplier opposite category 218 in Appendix F. There you will find the figure 1.045. This means that your markup on cost for handbags is 156.8% ( $150 \times 1.045 = 156.75$ ).

(c) Articles which cannot be priced under Rule 6. If the article you are pricing is included in categories 105A, 105B, 105C, 105D, 204, 214, 353 and 803D; or if your chart for categories 701-752 was prepared pursuant to the alternative method provided in section 5 of Supplementary Regulation 2 to this regulation; or if you do not have three categories in the appropriate group on your chart, you price such article under section 39.

SEC. 38. Rule 7: Pricing method for repaired or reconditioned items. If in the course of your business you regularly buy used or imperfect articles (including such articles when received as trade-ins) for the purpose of repairing and reconditioning them and selling them as reconditioned or repaired, and your chart as filed indicates that such articles have been omitted, you may compute a price for such a used or imperfect article which you have repaired or reconditioned in the following manner: (a) add to the net cost of the article the net cost of reconditioning or repairing the article but not a cost greater than that required to restore the article to a factory standard article of the same type); (b) multiply the total thus obtained by the category average percentage markup for the category including the article you are pricing, and (c) add the result to the total found in (a). If your chart has no markup for that category you use the markup for the category in Appendix E.

[Sec. 38 amended by Amdt. 1]

SEC. 39. Ceiling prices for sellers who cannot price under other sections of the regulation. If sections 30 to 38 do not provide a method for establishing your ceiling price for an article, you figure your ceiling under this section.

(a) Use of Appendix E markups—(1) Pricing method. If you have never priced an article under this section you find your ceiling price for all articles which must be priced under this section as follows by using the Table in Appendix E: On the left side is listed a column of category numbers; opposite each category number is a percentage markup. Find the percentage markup for the category to which the article you are pricing belongs. Multiply the net cost of the article you are pricing by this percentage markup. Add the result so obtained to the net cost of the article. The amount so arrived at is your ceiling price for the article you are pricing.

(2) Reports. You may not sell or deliver any article which you are required to price under this section until you have filed whichever of the following reports is applicable:

(i) You must file a statement that you have filed a list date pricing chart (if that is a fact) and a list of the categories you intend to price under subsection (1) of this section; or

(ii) If you have not filed a list date pricing chart you must file a statement containing the following information:

(a) Your name and address or your proposed name and address and the names and addresses of all owners, stockholders, or officers of the business establishment. (Owners holding less than 10 percent of the total number of shares of corporations preparing this statement need not be listed.)

(b) The date or the proposed date of the organization of the business establishment.

(c) A list of the articles which you intend to price under this section.

(d) The type of store you operate or intend to operate (dry goods, furniture, men's furnishings, specialty shop, etc.).

(e) Special services which you offer or intend to offer (installment selling, charge accounts, other credit terms, free delivery terms, etc.)

(f) If you are a leased department, the name and address of the prior lessee.

(b) Applications for markups in excess of those specified in Appendix E. You may not sell at markups in excess of those specified in Appendix E until you have received authorization to do so.

(1) Eligibility. If you are a seller who fixes ceiling prices under paragraph (a) of this section, you may apply to the Office of Price Stabilization office having jurisdiction over the area in which your business is located for authorization to use markups in excess of those set forth in Appendix E, if:

(i) You already own one or more established stores selling merchandise covered by this regulation at markups higher than those set forth in Appendix E; or

(ii) You already own one or more establishments selling articles not covered by this regulation at markups which for such goods represent markups higher than the average markups secured by other sellers of those goods; or

[Subpart (II) amended by Amdt. 9]

(iii) You (if you are an individually owned establishment) or any of the

principal stockholders or managing officers had previous experience in selling merchandise covered by this regulation or related commodities as owner, officer, principal, or employee in an executive or managerial capacity in a business handling merchandise covered by this regulation at markups higher than those listed in Appendix E and have not operated at or below markups set forth in Appendix E since the list date.

(2) *Filing and contents of applications.* The application filed with the OPS must set forth the markups applied for and information which would permit determination pursuant to the rules of eligibility set forth above.

(3) *Authorization.* (i) Upon application made pursuant to subparagraph (2) the OPS may, by order, authorize you to use markups higher than those listed in Appendix E. Such markups will be in line with those of sellers most nearly like you in your trading area but not higher than your own past experience and in no case (except in an OPS district or resort center where the average of markups is unusually high) will markups be authorized which exceed the highest markups at or below which those sellers comprising three-fourths of the sellers covered by the regulation operate.

(c) *Applications by certain sellers who sell exclusively in sets (groups of articles) to which services have been added—(1) Eligibility.* If prior to February 24, 1951, you have been engaged in the business of assembling, packaging, and selling sets (groups of articles) to which you have added services the cost of which is more than 10 percent of the total of the net costs of the constituent articles of the assembled sets, you may apply to your OPS office for a pricing method for the sale of your assembled sets. You must file two (2) copies of an application containing the following information:

- (i) Your name and address;
- (ii) Date when you entered business;
- (iii) Description of manner in which you conduct your business (indicating whether you are a department store, a leased department, a specialty store, or other; cash, installment or other terms; and class of merchandise you handle);
- (iv) A list of all sets offered by you for sale on the list date, enumerating for each the articles included in each set, the cost of each set, the cost of each article, the cost of services added by you on each set, and the selling price of each set on the list date; and

- (v) Substantiating evidence such as advertisements, catalogs, or prospectuses to show that you sold or offered for sale the sets (listed under (iv)) on the list date.

(2) *Authorization.* Upon application made pursuant to subparagraph (2), the OPS may, by order, permit you to add to the total of the net costs of the constituent articles the cost of the services you provide (packaging, monogramming, etc.) and a markup in line with the level of prices established by this regulation.

(d) *Applications by sellers who repair or recondition.* If you do not have a list

date pricing chart and you are in or propose to enter the business of regularly buying (or taking in as trade-ins) used or imperfect articles for the purpose of reconditioning them and selling them as reconditioned or repaired, you may apply to your OPS office for a pricing method which will reflect your costs of repairing or reconditioning the articles which you sell. In such a case the OPS may, by order, permit you to add to the ceiling price established under this regulation the actual net cost of reconditioning or repairing the articles which you sell. In no case shall the cost of reconditioning or repairing include a cost greater than that required to restore the article to a factory standard article of the same type.

#### *Article IV—Ceiling Prices in Special Cases*

SEC. 40. "Up stream" and "cross stream" sales and sales of "cross stream" articles to ultimate consumers. If your sales to persons other than ultimate consumers constitute less than 10% of your total sales of articles covered by this regulation you are governed by this regulation as to those sales and your ceiling prices for those sales are computed under this section.

(a) *Ceiling prices for "up stream" sales.* Your ceiling price for a sale of any article covered by this regulation to any person other than an individual ultimate consumer, another retailer, or an industrial, commercial, or institutional user, is the net cost of that article to you.

(b) *Ceiling prices for "cross stream" sales.* (1) Your ceiling price for a sale to another retailer of any article covered by this regulation shall be the sum of the following items:

- (i) the net cost of the article to you (which, as defined in Section 31 excludes any freight, OPS adjustment charge or handling charge);

- (ii) the incoming freight allocable to that article which you have paid in addition to the net cost;

- (iii) the OPS adjustment charge, if any, shown on the invoice received by you;

- (iv) the handling charge, if any, which you customarily made when selling articles covered by this regulation to another retailer immediately prior to January 26, 1951. In no event, however, may your handling charge exceed 10 percent of the net cost of the article to you.

You must give to the buyer an invoice which must state separately each item making up your costs as itemized in this subparagraph (1) and, in addition, must contain the following notice:

#### *NOTICE*

You must compute the price for resale of the above articles pursuant to section 40 (c) of Ceiling Price Regulation 7.

(2) If you customarily made sales of commodities covered by this regulation to other retailers immediately prior to January 26, 1951, on which you figured your price by granting a specific discount from your retail price, you may

continue to make such sales (excepting sales of articles purchased by you from other retailers). On such sales you must furnish the buyer with an invoice, which, in addition to showing your retail price as established by this regulation and the discount you granted, must contain the following notice:

#### *NOTICE OF CEILING PRICE*

Under Section 40 of Ceiling Price Regulation 7 you may not sell the above articles to consumers at prices higher than our retail ceiling shown on this invoice.

(c) *Ceiling prices for sales to ultimate consumers of articles purchased from other retailers.* (1) If you purchase articles covered by this regulation from another retailer and pay the seller his costs permitted to him under paragraph (b) (1), you must determine your ceiling price for sales of these articles to ultimate consumers in accordance with the pricing rules of this regulation taking your net cost from your supplier's invoice and excluding all freight, OPS adjustment charge and handling charges.

(2) If you purchase articles covered by this regulation and pay the seller his retail price less a specified discount, you must use as your ceiling price for sales of those articles to ultimate consumers the seller's retail price as stated on his invoice to you.

(d) *Articles acquired by transfer from another seller in the same selling establishment.* If one department or part of the same legal entity acquired an article by a transfer from another part of the same legal entity, the transferee pricing such an article must use as his net cost the net cost determined from the invoice received by the transferor.

The document covering the transfer must show the original invoice cost and must be preserved for inspection by the OPS.

SEC. 41. *Pricing methods for certain chain stores and mail order establishments.* Special pricing methods for certain chain stores and mail order establishments are provided in Supplementary Regulation 1 to this Ceiling Price Regulation 7.

SEC. 42. *Transfers of business—(a) How a transferee fixes his ceiling prices.* This section applies to you if:

(1) After the list date, you purchase or otherwise acquire a substantial part of the business, assets, or stock in trade of any business which sells or sold any articles covered by this regulation at retail; and

(2) You carry on the business or continue to sell at retail articles in any category covered by this regulation and sold by your transferor before the transfer; and

(3) You carry on the business or continue to sell in a store separate from any other store previously owned or operated by you for the sale of such articles at retail. If this section applies to you, your ceiling prices are the same as those which your transferor would have had if the transfer had not taken place (except as provided in paragraph (c) of this section). Your obligation to keep rec-

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ords sufficient to verify such prices shall be the same as if the transfer had not taken place. The transferor must either preserve and make available to you or turn over to you all records of transactions before the transfer which you need to comply with this regulation.

(b) *Filing charts.* If your transferor has not already filed a chart, you must prepare a chart based on his experience on the list date, using the list date which he would have used if no transfer had occurred. If your transferor has filed a chart, you must file a statement showing your business name and address and the date of the transfer. (You must attach a copy of this statement to the chart in your possession.) If the transferor's records are not available to you, you must fix your ceiling prices under section 39.

(c) *Mergers and combinations.* If, after the list date, two or more sellers merge, consolidate, or combine and continue operations as one seller, the seller who continues to operate shall fix his ceiling prices under this regulation on the same basis as that which the seller who had the largest dollar volume of sales of articles covered by this regulation during the 12 months immediately preceding the merger or combination would have had to follow.

**SEC. 43. Uniform dollar-and-cents prices for certain articles.** (a) *How prices are established.* The OPS may by order, upon application, establish dollar-and-cent retail ceiling prices for branded articles and ceiling prices for sales at wholesale for the same articles whenever it appears that:

(1) The article (or an article of the same type) was sold at retail at substantially uniform prices for a period immediately prior to January 26, 1951. The OPS may establish uniform retail ceiling prices for any article if the applicant has received or is eligible to receive an order under this section for any of his articles.

If the applicant had a policy of uniform retail prices for his branded merchandise and can show that the article was sold at substantially uniform prices except for a limited area, the OPS may establish uniform retail ceiling prices for the article. Uniform retail ceiling prices may be established for separate zones (not to exceed five zones) where the applicant can show that such differential was maintained as part of his uniform pricing policy immediately prior to January 26, 1951.

(2) The price requested for the article is no higher than the existing level of ceiling prices under this regulation.

Orders issued under this section will remain effective unless revoked or suspended by the Director. Orders may be revoked or suspended only if the Director is satisfied that such revocation or suspension is not inconsistent with the effective control of prices.

(3) If the applicant had a policy of uniform prices for sales at wholesale for his branded merchandise for a period immediately prior to January 26, 1951 and can establish that the merchandise when resold at wholesale was sold at

substantially uniform prices, except for a limited area, the OPS in establishing uniform retail ceiling prices for the merchandise may also establish uniform resale wholesale ceiling prices for the merchandise.

[Paragraph (a) amended by Amdt. 4. Subparagraph (3) added by Amdt 4]

(b) *What the order may contain.* (1) An order may be issued under this section establishing uniform ceiling prices for all retail sales or sales at wholesale of an article covered by this regulation, although such sales may not otherwise be subject to this regulation. [Subparagraph (1) amended by Amdt. 4]

(2) An order issued under this section generally will include a provision requiring the applicant to tag or ticket the article with the retail ceiling price and other specified information.

[Subparagraph (2) amended by Amdt. 4]

(3) An order issued under this section will require the applicant to send copies of the order and any subsequent amendments thereto to those purchasers for resale of the articles covered by the order.

(4) An order issued under this section will ordinarily be in the form of applicant's selling price and retail ceiling price relationships. Such an order will ordinarily require the applicant to submit, from time to time as specified in the order, a description of the articles which he is pricing pursuant to the terms of the order, changes in his prices to his customers, and any other information that may be required by the terms of the order. Such an order in appropriate instances may also establish wholesale ceiling prices.

[Subparagraph (4) amended by Amdt. 4]

(c) *Who may apply.* (1) A manufacturer or a wholesaler of a branded article may apply under this section if he can submit the information required by paragraph (d).

(2) A group of manufacturers selling the same article under the same brand name may apply as a group under this section if they can submit the information required by paragraph (d).

(d) *What the application must contain.* Two copies of each application must be filed with the Distribution Price Branch, Office of Price Stabilization, Washington 25, D. C. The application must contain the following:

(1) Business name and address of the applicant.

(2) A complete identification of the article for which the price is sought including:

(i) The brand name identifying the article and its style or lot number.

(ii) Applicant's ceiling price.

(iii) An identification of the regulation and the section in that regulation or the identification of the order issued by the OPS under which his ceiling price was established.

(iv) His invoice price and terms to various classes of retailers and wholesalers.

(v) His suggested retail price, if any, immediately prior to January 26, 1951. (If he had a suggested retail price prior to January 26, 1951 he should submit evidence to show his method of retail price maintenance, such as national advertising, catalogues sent to retailers, advertising mats furnished retailers, etc. If he had no suggested retail price prior to January 26, 1951, or did not attempt to enforce his suggested retail price, but can show that the article was sold at substantially uniform prices, he should submit a list of the names and addresses, giving their retail selling price of the article immediately prior to January 26, 1951 of all of his retail customers in fifteen cities representing a cross section of his customers.)

(vi) His suggested price for sales at wholesale, if any, immediately prior to January 26, 1951 (including evidence to show his method of price maintenance), or if he had no such suggested price prior to January 26, 1951, or did not attempt to enforce such suggested price but can show that the merchandise was sold at substantially uniform prices, he should submit evidence similar to that specified for retail prices in subdivision (v) of this subparagraph.

[Subparagraph (2) amended by Amdt. 4; subpart (vi) added by Amdt. 4]

(3) The uniform retail and wholesale ceiling prices requested for the article.

[Subparagraph (3) amended by Amdt. 4]

(4) In the case of wholesalers applying under this section, the name and address of the manufacturer of the article and the manufacturer's style or lot numbers.

(5) In the case of a group of manufacturers applying for a single order covering the articles manufactured in common by the group, the application must contain, in addition to the requirements of sub-paragraph (2) above, evidence to show that each manufacturer of the group, who sold the article, maintained the same retail prices on the same article with the same brand.

#### Article V—General Provisions

**SEC. 50. How to treat taxes.** The ceiling prices determined under the pricing rules in this regulation are your ceiling prices exclusive of tax. If a tax on a particular sale or delivery such as a sales tax or a compensating use tax is imposed and the tax law permits the tax to be separately stated, you may charge or collect the tax on the sale or delivery of the article in addition to the ceiling price fixed under the pricing rules. You must state the tax separately.

**SEC. 51. Marking, tagging or posting.** On and after July 1, 1951, you may not offer or sell any article covered by this regulation unless it is marked or tagged with the selling price in a manner plainly visible to, and understandable by, the purchasing public.

(a) *Marking.* You may mark the selling price on the shelf, bin, rack, or other holder or container upon or in which the article is kept provided all

the articles kept on, or in the shelf, bin, rack, holder or container have the same selling price.

(b) *Tagging.* If you do not wish to mark the prices as described in (a) you must mark the selling price on each article itself by writing the price directly on the article or by attaching to the article a tag or ticket stating the selling price.

(c) *Posting.* On and after July 1, 1951, you may not offer or sell any article covered by this regulation unless you post in a prominent and clearly visible position in your store, a sign stating the following:

**NOTICE**

The prices of merchandise in this store are no higher than the OPS ceiling prices of the articles.

(d) *Rule for mail order establishments.* Mail order establishments must mark their ceiling prices for articles listed in printed price lists which have been printed after the list date in either of the following ways:

(1) State the ceiling price for each article covered by this regulation and listed in the price list, at the place in the publication where the article is listed.

(2) Print on the front cover of each printed price list (or on the front page of any list that has no cover) the following statement:

**NOTICE**

No price for any article listed or described herein exceeds the ceiling price for that article, as determined under the applicable OPS ceiling price regulation.

**SEC. 52. Records.** The records required by this section must be kept for as long as the Defense Production Act of 1950 remains in effect and for two years thereafter. All such records must be kept at your store, except in the case of certain chain stores for which special record keeping requirements are provided in Supplementary Regulation 1 to this regulation.

(a) *List date records.* You must preserve for inspection by the OPS:

(1) All records which you were required to prepare and preserve pursuant to section 16 (a) (1) and (4) of the General Ceiling Price Regulation<sup>13</sup> relating to articles covered by this regulation;

<sup>13</sup> The pertinent section of the General Ceiling Price Regulation is as follows:

"Sec. 16. *Records.* This section tells you what records you must preserve and what additional records you must prepare.

"(a) *Base period records.*

"(1) You must preserve and keep available for examination by the Director of Price Stabilization those records in your possession showing the prices charged by you for the commodities or services which you delivered or offered to deliver during the base period, and also sufficient records to establish the latest net cost incurred by you prior to the end of the base period in purchasing the commodities (if you are a wholesaler or retailer). \* \* \*

"(4) You must also prepare and preserve a statement of your customary price differentials for terms and conditions of sale and classes of purchasers, which you had in effect during the base period."

(2) All records relating to articles covered by this regulation which you were required to prepare and keep pursuant to section 16 (b) of the General Ceiling Price Regulation<sup>14</sup> from January 26, 1951, to the date you begin pricing under this regulation, not later than May 30, 1951;

[Subparagraph (3) amended by Amdts. 1 and 4]

(3) The last invoice which you received before the list date for each kind, style, model, or lot number of the articles offered for sale by you on the list date, and all other invoices which you used in preparing your list date chart; and

(4) All other records and data, such as sales slips, inventory records or work sheets, used by you in preparing your chart or showing your costs and offering prices on the list date.

(b) *Current records—(1) Obtaining and preserving invoices.* On and after February 27, 1951, you must obtain a purchase invoice (or some other record of cost) and preserve the purchase invoices (or other cost record) which you received for all articles covered by this regulation. You must keep these invoices according to some recognized filing system, such as alphabetical, numerical, or chronological order. Upon request of any authorized agent of the OPS, you must let him examine your purchase invoices for any articles covered by this regulation.

(2) *"Retailing" invoices.* Before selling or offering for sale any article covered by this regulation which is delivered to you on or after February 27, 1951, you must "retail" the invoice, that is, you must mark your first selling price for each article on the invoice covering your purchase of the article, and the number of the section or the pricing rules under this regulation, or the special order or other order under which you figured your ceiling price for the article. The pricing rule and method may be stated merely as "Rule 1" or "Rule 3" or "Rule 6."

If the invoice does not state the quantity of each article, style, model or lot number which it covers, you must also enter the quantity on each invoice.

(3) *Preserving sales slips.* If you customarily prepared your sales slips in more than one copy, you must preserve for at least six months after delivery a

<sup>14</sup> The pertinent section follows: "(b) *Current records.* If you sell commodities or services covered by this regulation you must prepare and keep available for examination by the Director of Price Stabilization for a period of two years, records of the kind which you customarily keep showing the prices which you charge for the commodities or services. In addition, you must prepare and preserve records indicating clearly, the basis upon which you have determined the ceiling price for any commodities or services not delivered by you or offered for delivery during the base period. If you are a retailer you are required to preserve your purchase invoices and to record thereon both your initial selling price and the section of this regulation under which you have determined your ceiling price."

duplicate copy of each sales slip delivered by you pursuant to section 54.

(4) *Listing items in General Category not enumerated in category or on chart.* If you fix ceiling prices for articles in a "general" category (as described in Appendix B) not specifically listed in that category and not offered for sale by you on the list date, you must prepare and preserve with your chart a list of such articles designating as to each the general category in which you placed the item.

**SEC. 53. Records and reports of initial markups or gross margins—(a) Records and reports of initial percentage markups—(1) Records.**

(i) *Base period records of initial percentage markups.* If you use the so-called "retail method" of accounting, or if you have other records from which the following information can be readily computed, you must preserve for inspection the data showing for each of the smallest subdivisions of your business (such as department, subdepartment, or store) for which you have such records:

(a) Your initial percentage markup on total purchases (not including opening inventory) for the calendar quarter beginning July 1, 1949 (or if your fiscal quarter beginning nearest to July quarters begin on some other date, the 1, 1949); and

(b) The corresponding initial percentage markup for each of the subsequent three calendar or fiscal quarters.

(ii) *Current records of initial percentage markup.* You must continue to prepare and preserve such records for the same periods and on the same accounting basis as you used in maintaining the records upon which the reports required in paragraph (2) (i) below are based.

(2) *Reports.*

(i) *Base period reports of initial percentage markups.* If you have the records required by paragraph (a) (1) (i) above you must prepare two copies of a report labelled "Initial Percentage Markups Report," listing your name and address and the initial percentage markup for each subdivision of your business for which you have such records for the periods described in paragraph (a) (1) (i). You must file one copy of this report with your list date chart and keep the other available for inspection by the OPS.<sup>15</sup>

(ii) *Current reports of initial percentage markups.* If you have filed a report of your initial percentage markup under paragraph (a) (2) (i) above for any subdivision of your business you must file a similar report for any succeeding period in which your initial percentage markup for that subdivision exceeds your base period markup for the comparable period. The report must also indicate the period which it covers, the current initial percentage markup, and the number of percentage points by which the

<sup>15</sup> This report may be filed on OPS Public Form No. 3, available at OPS local or regional Offices.

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current initial percentage markup exceeds the base period. All such reports must be filed with the Distribution Price Branch, Office of Price Stabilization, Washington 25, D. C., within 45 days from the close of the period.

(b) *Records and reports of gross margin*—(1) *Records*—(i) *Base period records of gross margin*. If you do not keep the records described in paragraph (a) (1) (i) above and your annual dollar volume of articles covered by this regulation exceeds \$50,000.00 for the calendar year 1949 or your fiscal year beginning nearest to June 1, 1949, you must preserve for inspection the data showing for each of the smallest subdivisions of your business (such as department, subdepartment or store) for which you have such records, as follows:

(a) Your quarterly percentage of gross margin for the calendar quarter beginning July 1, 1949 (or if your fiscal quarter begins on some other date, the fiscal quarter beginning nearest to July 1, 1949).

(b) The corresponding percent of gross margin for each of the subsequent three calendar or fiscal quarters.

(c) If you do not have monthly or quarterly records of gross margin your percentage of gross margin for the calendar year 1949 or your fiscal year beginning nearest to June 1, 1949.

"Gross margin" as used in this regulation is found as follows:

Step 1. Add the invoice cost of your beginning inventory for the reporting period and the invoice cost of your total purchases for the reporting period.

Step 2. Subtract the cost of your ending inventory from the total found in Step 1. The result is cost of goods sold.

Step 3. Subtract the cost of goods sold found in Step 2 from your total sales. The result is your dollar gross margin.

Step 4. Divide the dollar gross margin by your total sales. This is your percentage gross margin on sales.

Example: Period—January 1, 1949—December 31, 1949.

Step 1: Beginning inventory.....	\$100,000
Total purchases.....	250,000
 Total.....	350,000
Step 2: Ending inventory.....	-90,000
 Cost of goods sold.....	260,000
Step 3: Total sales.....	395,000
Cost of goods sold.....	-260,000
 Gross dollar margin.....	135,000
Step 4: $135,000 \div 395,000 = 34.2\%$	= Percentage gross margin on sales.

(ii) *Current records of gross margin*. You must continue to prepare and preserve such records for the same periods, that is quarter-year or annual and on the same accounting basis as you used in maintaining the records upon which the reports required in paragraph (2) (i) below are based.

(2) *Reports*—(i) *Base period reports of gross margin*. If you are covered by

paragraph (b) (1) (i) above you must prepare two copies of a report labelled "Gross Margin Report," listing your name and address and the gross margin percentages for each of the subdivisions of your business for which you have such records for the periods described in that paragraph. You must file one copy of this report with your list date chart and keep the other available for inspection by the OPS.<sup>11</sup>

(ii) *Current reports of gross margin*. If you have filed a report of your gross margin under (i) above for any subdivision of your business you must file a similar report for any succeeding period in which your gross margin percentage for that subdivision exceeds your base period gross margin percentage. This report must indicate the period which it covers, the current gross margin, and must also state the number of percentage points by which the current report exceeds the base period report. All such reports must be filed with the Distribution Price Branch, Office of Price Stabilization, Washington 25, D. C., within 75 days of the close of the period.

[Subpart 2 amended by Amdt. 1]

SEC. 54. *Sales slips*. If you customarily gave your customers a sales slip, receipt, or similar evidence of purchase you must continue to do so. Upon request from a customer, regardless of previous custom, you shall give the purchaser a receipt showing the date, your name and address, a description of each article sold and the price received for it.

SEC. 55. *What acts are prohibited by this regulation*. On and after February 27, 1951, regardless of any contract or other obligation, the following practices are forbidden:

(a) *Charging more than ceiling prices*. You are prohibited from selling or delivering any article at a price higher than the ceiling price permitted by this regulation. A lower price may, of course, be charged.

(b) *Buying for more than ceiling price*. You are prohibited from buying or receiving, in the course of trade or business, any article sold in violation of any of the provisions of this regulation.

(c) *Changing customary terms of sale*. You are prohibited from changing your customary terms, discounts, allowances, or price differentials on sales of articles, if the change results in a higher net price. This includes differentials allowed to cash purchasers by sellers who customarily extend credit.

(d) *Combination sales*. You are prohibited from requiring any purchaser to buy or agree to buy any other article, service, package, or wrapper in connection with the sale or delivery of any article covered by this regulation. Every person is likewise prohibited from making a sale of articles which is conditioned

directly or indirectly on the purchase of any other commodity or service. (Matched sets, however, if designed by the manufacturer for sale at a unit price, and so purchased by you, may be sold at a unit price; matched groupings of furniture articles (covered by categories 701-752) may also be sold at a unit price as suites or sets, if all the articles in the grouping were produced by the same manufacturer; and sets priced pursuant to Section 39 (c) may be sold at a unit price.)

(e) *Indirect price increases*. You are prohibited from doing any other act which directly or indirectly increases, above the ceiling price, the consideration paid for any article or delivery of any article, or, for the purposes of evading the price limitations set forth in this regulation, to purchase, deliver, contract, deal or otherwise operate with or through any other person under common control with, controlled by, controlling, or otherwise affiliated with you. You shall not do any other act which directly or indirectly increases the consideration paid for any article. Any practice which is a device to secure the effect of a higher-than-ceiling price is as much a violation as an outright sale above the ceiling price.

(f) *Attempts to violate*. Every person is prohibited from agreeing, offering, soliciting, or attempting to do any of the acts prohibited by this regulation.

SEC. 56. *Enforcement*. Any person who violates any provision of this regulation is subject to the criminal penalties, civil enforcement actions and suits for damages, provided by the Defense Production Act of 1950.

SEC. 57. *Petitions to amend this regulation*. Any person may file a petition for an amendment of general applicability to any provision of this regulation in accordance with the provisions of Price Procedural Regulation No. 1.

SEC. 58. *Supplementary regulations modifying this regulation*. The provisions of this regulation, as applied to certain commodities or persons subject to this regulation, may be modified by Supplementary Regulations issued under this section.

SEC. 59. *Definitions*:

"Accommodation sale" means a sale made entirely without profit, solely for the benefit or convenience of the purchaser. For example, a sale by an employer to his employees, or by a school to its students—and not for the purpose of promoting trade is an accommodation sale. It does not include sales by cooperative, nonprofit, or other organizations which make sales initially above cost, but later give refunds, bonuses, dividends, or other allowances to purchasers.

"Buy and sell in substantially the same form." An article is bought and sold in substantially the same form if the article which you sell belongs to the same category as the article you bought and, except as provided in section 38 and section

<sup>11</sup> This report may be filed on OPS Public Form No. 3, available at OPS local or regional offices.

39 (d) (pricing of repaired or reconditioned articles) if, before offering it for sale you have not added to the article you sell, materials which cost you more than 10 percent of the net cost (as defined in section 31) of the original article.

**"Director of Price Stabilization."** This term extends to any official (including officials of regional or local offices) to whom the Director of Price Stabilization by order delegates the function, power or authority referred to in this regulation.

**"Mail order establishment"** means a person who regularly makes deliveries by mail to individual ultimate consumers in response to orders received by mail on the basis of catalogs, booklets, circulars, flyers or other forms of printed price lists.

**"Office of Price Stabilization."** Whenever the Office of Price Stabilization (OPS) is referred to in connection with some action to be taken it means action by the Director of Price Stabilization.

**"Person."** A person includes an individual, corporation, partnership, association or other organized groups of persons, legal successor or representative of any of the foregoing and includes the United States, any agent thereof, any other government, or any of its subdivisions, and any agency of the foregoing.

**"Purchaser of the same class"** refers to the practice adopted by the seller in setting different prices for sales to different purchasers or kinds of purchasers (for example, manufacturer, wholesaler, jobber, retailer, government agency, public institution or "individual consumer") or for purchasers located in different areas or for purchasers of different quantities or grades or under different conditions of sale.

**"Records"** includes books of account, sales lists, sales slips, orders, vouchers, contracts, receipts, invoices, bills of lading, and other papers and documents.

**"Sale at retail" or "retailer."** "Selling at retail" means a sale or selling to an ultimate consumer (including an industrial or commercial user) of an article which you buy and sell in substantially the same form. A seller who in the regular course of business makes sales at retail is a retailer.

**"Sell"** includes sell, supply, dispose, barter, exchange, lease, transfer, and contracts and offers to do any of the foregoing. The terms "sale," "selling," "sold," "seller," "buy," "purchase," and "purchaser," shall be construed accordingly. Nothing in this regulation shall be construed to prohibit the making of a contract to sell an article at a price not to exceed the ceiling price at the time of delivery.

**NOTE:** The record keeping and reporting requirements of this regulation have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

**Effective date:** This regulation shall become effective on the 27th day of February 1951.

MICHAEL V. DISALLE,  
Director of Price Stabilization.

No. 108—6

#### APPENDIX A

##### EXAMPLES OF A LIST DATE PRICING CHART

###### (a) Men's Furnishings Department List Date Pricing Chart

Men's Furnishings Department (Dept. No. 21) in Chain Store (Statement of Total Store Volume Filed Separately)  
ABC Department Store, 123 Maine Street, New City, Kansas

Category	Net cost (per unit)	Offering price (per unit)*	Percentage markup on cost	Supporting invoice
(1)	(2)	(3)	(4)	(5)
Category 116, Underwear and Night-wear (Sleeping Shorts).	\$0.32 (4.00, 3/10 EOM, per dozen) ..	\$0.49	53.1	#12345 ABC Underwear Co., 2/1/51 (boy's undershirt). #23456 XYZ Underwear Co., 2/6/51 (Man's undershirt). #34567 CBA Underwear Co., 12/15/50 (man's undershirt).
Average percentage markup 70.9%.	\$0.34 (4.25, 3/10 EOM, per dozen) ..	.59	73.5	#45678 ZYX Underwear Co., 10/8/50 (man's undershirt). #56789 ABC Underwear Co., 11/10/50 (man's undershirt). #67890 XYZ Underwear Co., 1/19/51 (boy's undershirt). #78901 ABC Underwear Co., 1/15/51 (T shirt). #89012 ZYX Underwear Co., 2/6/51 (man's undershirt). #90123 ABC Underwear Co., 1/26/51 (man's union suit). #101234 ABC Underwear Co., 12/19/50 (boy's union suit). #1112345 XY Underwear Co., 2/14/51 (boy's union suit). #1212345 MNO Pajama Co., 1/17/51 (man's sleeping short). #1312345 MNO Pajama Co., 12/19/50 (man's pajama). #1412345 MNO Pajama Co., 12/28/50 (man's pajama). #1512345 S. & L. Pajama Co., 2/7/51 (man's pajama).
	\$0.36 (4.50, 3/10 EOM, per dozen) ..	.59	63.9	
	\$0.44 (5.50, 3/10 EOM, per dozen) ..	.79M	79.5	
	\$0.46 (5.75, 3/10 EOM, per dozen) ..	.79	71.7	
	\$0.49 (6.00, 3/10 EOM, per dozen) ..	.79	61.2	
	\$0.57 (7.00, 3/10 EOM, per dozen) ..	1.00	75.4	
	\$0.58 (7.00, net, per dozen) ..	1.00	72.4	
	\$0.77 (9.50, 3/10 EOM, per dozen) ..	1.39	80.5	
	\$0.85 (10.50, 3/10 EOM, per dozen) ..	1.49	75.3	
	\$1.01 (12.50, 3/10 EOM, per dozen) ..	1.69U	67.3	
	\$1.82 (22.50, 3/10 EOM, per dozen) ..	2.98	63.7	
	\$2.43 (30.00, 3/10 EOM, per dozen) ..	3.98R	63.8	
	\$2.79 (34.50, 3/10 EOM, per dozen) ..	4.98	78.5	
	\$2.88 (34.50, net, per dozen) ..	4.98	72.9	
	[Category 116 amended by Amdt. 1]			
Category 117, Shirts.	\$1.21 (15.00, 3/10 EOM, per dozen) ..	1.98	63.6	#9135 Ace Shirt Co., 1/17/51 (man's business shirt). #97531 Excellent Shirt Co., 1/6/51 (boy's business shirt). #75319 Top Shirt Co., 12/20/50 (man's business shirt). #53197 Ace Shirt Co., 1/4/51 (man's business shirt). #31975 Ace Shirt Co., 12/6/50 (man's business shirt). #19753 Top Shirt Co., 12/19/50 (man's business shirt). #24630 Sportswear, Inc., 1/24/51 (Boy's sport shirt). #46802 X Sport Shirts, Inc., 2/3/51 (man's sport shirt). #68024 Sportswear, Inc., 2/5/51 (man's sport shirt). #80243 X Sport Shirts, Inc., 1/11/50 (man's sport shirt).
Average percentage markup, 67%.	\$1.25 (15.50, 3/10 EOM, per dozen) ..	1.98	58.4	
	\$1.38 (16.50, net, per dozen) ..	(2.26)	63.0	
		2.50		
	\$1.82 (22.50, 3/10 EOM, per dozen) ..	2.98M	63.7	
	\$1.94 (24.00, 3/10 EOM, per dozen) ..	3.50	80.4	
	\$3.64 (3.75, 3/10 EOM) ..	(5.55)	63.5	
		6.95		
	\$5.34 (5.50, 3/10 EOM) ..	7.95		
	[Category 117 amended by Amdt. 1]	(8.95)	67.6	
Category 118, hosiery.	\$0.22 (2.75, 3/10 EOM, per dozen) ..	.35	59.1	#23451 E. & F. Hosiery Co., 1/3/51 (anklets). #34512 Stockings, Inc., 2/2/51 (boy's socks). #45123 G. & H. Hosiery Mills 2/6/51 (men's socks). #51234 E. & F. Hosiery Co., 12/11/50 (men's socks). #43215 Stockings, Inc., 12/20/50 (sweat socks).
Average percentage markup, 63.7%.	\$0.24 (3.00, 3/10 EOM, per dozen) ..	.39	62.5	
	\$0.25 (3.00, 2/10 EOM, per dozen) ..	.39	56.0	
	\$0.30 (3.75, 3/10 EOM, per dozen) ..	.49	63.3	
	\$0.34 (4.25, 3/10 EOM, per dozen) ..	.59	73.5	
Category 119, handkerchiefs, scarves, mufflers, (neckerchiefs).	\$0.10 (1.25, 3/10 EOM, per dozen) ..	.15	50.0	#4326 Handkerchiefs, Inc., 2/2/51 (handkerchiefs). #45170 P. & Q. Handkerchief Co., 1/10/51 (handkerchiefs). #16201 Smith Handkerchief Co., 10/18/50 (handkerchiefs) E. #24920 Handkerchief Inc., 11/14/50 (handkerchief). #15830 M & S Knitting Co., 2/2/51 (scarf). #16641 T & U Mills, Inc., 2/3/51 (scarf). #15642 Jones Company, 12/19/50 (neckerchief). #17700 T & U Mills, Inc., 12/19/50 (scarf). #19143 R. & S. Knitting Co., 2/6/51 (scarf). #16398 Jones Co., 2/6/51 (scarf). #18709 T & U Mills, Inc., 8/16/50 (scarf).
Average percentage markup 85.5%.	\$0.15 (1.55, 3/10 EOM, per dozen) ..	.25	66.7	
	\$0.53 (6.50, 3/10 EOM, per dozen) ..	1.00	88.7	
	\$0.55 (6.75, 3/10 EOM, per dozen) ..	1.00	81.8	
	\$0.57 (7.00, 3/10 EOM, per dozen) ..	1.00	75.4	
	\$1.09 (13.50, 3/10 EOM, per dozen) ..	2.00	83.5	
	\$1.21 (15.00, 3/10 EOM, per dozen) ..	(2.00)	65.3	
		2.50		
	\$1.25 (15.00, net, per dozen) ..	2.50	100.0	
	[Category 119 amended by Amdt. 1]			
Category 120, Ties (Tie and handkerchief set).	\$0.52 (6.75, 7/10 EOM, per dozen) ..	1.00	92.3	#32154 JKL Neckwear Co., 12/12/50 (bow tie). #21543 Ties, Inc., 1/16/51 (four-in-hand ties).
	\$0.54 (7.00, 7/10 EOM, per dozen) ..	1.00	85.2	
	\$0.75 (9.50, 7/10 EOM, per dozen) ..	1.50U	102.7	
	\$0.81 (10.50, 7/10 EOM, per dozen) ..	1.50	85.2	
	\$1.05 (13.50, 7/10 EOM, per dozen) ..	2.00	90.5	
	\$1.16 (15.00, 7/10 EOM, per dozen) ..	(2.00)	72.4	
		2.50		
				#64709 JKL Neckwear Co., 1/6/51 (ascot tie). #72151 Ties Inc., 1/17/51 (tie and handkerchief set).

## RULES AND REGULATIONS

## APPENDIX A—Continued

## EXAMPLES OF A LIST DATE PRICING CHART

Category (1)	Net cost (per unit) (2)	Offering price (per unit)* (3)	Percent-age markup on cost (4)	Supporting invoice (5)
Category 122, Gloves and mittens.	\$1.70 (21.00, 3/10 EOM, per dozen).	\$2.98	75.3	#12660 Superior Gloves, 11/6/50 (leather glove).
Average percentage markup, 71.2%.	\$1.82 (22.50, 3/10 EOM, per dozen). (3.50)	2.98R	63.7	#10660 Brown Knitting Co., 2/2/51 (crocheted glove).
	\$2.18 (27.00, 3/10 EOM, per dozen).	3.98	82.6	#18605 Green Mills Inc., 11/21/50 (wool lined gloves).
	\$2.43 (30.00, 3/10 EOM, per dozen).	3.98	63.8	#18031 Superior Gloves, 2/9/51 (leather glove).

\*Based on sales to cash customers.

Percentage markups on offering prices may be listed if so labeled in this column.

Signed: ABC DEPARTMENT STORE, DEPARTMENT 21,  
By: JOHN DOE, Dept. Head.

[Category 122 amended by Amdt. 1]

(b) Furniture Store—List Date Pricing Chart for Store including Freight in determining Markups

LM Furniture Co., 1115 Massachusetts Ave., Barre, Vermont

[Type of store—Independent furniture store. Total retail sales 100,000-299,000]

Category (1)	Net cost (per unit) (2) (Freight)	Offering price (per unit)* (3)	Percent-age markup on cost (4)	Supporting invoices (5)
Category 701, Wood bedroom suites.	\$32.34 (33.00, 2/10) 3.10.....	\$56.85	75.8	F. C. Mfg. Co., #1134, 1/2/51 (3 pc. maple).
F	\$39.20 (40.00, 2/10) 3.50.....	66.45	69.5	K. F. Furniture Co., #6910, 11/12/50 (3 pc. walnut veneer).
Average percentage markup 76.1%.	\$41.16 (42.00, 2/30) 3.90.....	70.60	71.5	C. B. Furniture Co., #7315, 12/18/50 (3 pc. maple).
	\$47.04 (48.00, 2/10) 5.50.....	(84.00)	78.6	K. F. Furniture Co., #6910, 1/14/51 (3 pc. walnut veneer).
	6.00.....	92.00	-----	T. H. Jones Co., #142, 11/17/50 (5 pc. maple).
	\$55.00 (net).....	95.00	72.7	S. W. Mfg. Co., #23691, 1/25/51 (3 pc. mahogany).
	\$61.74 (63.00, 2/10) no freight.....	109.00	76.6	T. Smith Industries Inc., #29, 1/5/51 (5 pc. walnut veneer).
	\$63.70 (65.00, 2/10) 7.40..... (119.60)	111.60R	75.2	A. B. Bedroom Co., #4210, 1/18/51 (3 pc. mahogany).
	\$98.00 (100.00, 2/30) 6.00.....	173.00	76.5	XY Mfg. Co., #25498, 2/5/51.
	\$103.88 (106.00, 2/10) 7.50.....	181.50	74.7	S. A. Mfg. Co., #54691, 10/12/50 (5 pc. mahogany).
	\$151.99 (159.90, 5/10) 11.15.....	267.85	76.2	H. M. Co., #4569, 10/9/50 (7 pc. bleached mahogany).

Signed: L. M. FURNITURE COMPANY,  
By: CHARLES COE, President.

[Category 701 amended by Amdt. 1]

(c) Furniture Store—List Date Pricing Chart for Store not including Freight in determining Markups

XY Furniture Co., 1010 Pennsylvania Ave., Rutland, Vermont

[Type of store—Independent furniture store. Total retail sales 300,000-499,000]

Category (1)	Net cost (per unit) (2)	Offering price (per unit)* (3)	Percent-age markup on cost (4)	Supporting invoice (5)
Category 709, Upholstered chairs and rockers.	\$4.50 (net).....	\$7.95	76.7	Brown Furniture Company #6789, 2/2/51 (occasional).
	\$6.37 (6.50, 2/10).....	10.95	71.9	Smith Furniture Company #1234, 12/13/50 (occasional).
Average percentage markup 82.9%.	\$8.33 (8.50, 2/10).....	14.95	79.5	Jones Mfg. Co., #2345, 9/13/50 (maple).
	\$11.27 (11.50, 2/10).....	19.95M	77.0	Brown Furniture Co., #6789, 10/24/50 (lounge).
	\$13.72 (14.00, 2/30).....	24.95	81.9	Brown Furniture Co., #6789, 1/17/51 (lounge).
	\$16.17 (16.50, 2/15).....	29.50	82.4	Northern Furniture Co., #10123, 12/6/50 (cogswell).
	\$17.15 (17.50, 2/10).....	29.50	-----	Smith Furniture Co., #9213, 10/14/50 (barrel).
	(32.50).....	(32.50)	89.5	L. & W. Chair Co., #3435, 1/12/51 (wing chair).
	\$21.56 (22.00, 2/10).....	39.50	83.2	Brown Furniture Co., #5910, 1/30/51 (channel back).
	\$24.01 (24.50, 2/10).....	44.50	85.3	Northern Mfg. Co., #8724, 9/21/50 (platform rocker).
	\$32.34 (33.00, 2/10).....	59.50U	84.0	L. & W. Chair Company, #2478, 10/10/50 (club).
	\$37.24 (38.00, 2/10).....	69.50	86.6	Smith Furniture Company, #9533, 2/7/51 (barrel).
	\$38.00 net.....	69.50	82.9	Upholstered Furniture Co., 2/2/51, #4025 (channel back).
	\$43.12 (44.00, 2/10).....	79.50	84.4	W. K. Sales Company, #251, 10/11/50 (wing).

\*These prices are for sales to customers who pay cash. Credit sales made on basis of additional charge of 6% per annum of unpaid balance.

Percentage markups on offering prices may be listed if so labeled in this column.

Signed: X Y FURNITURE COMPANY,  
By: RICHARD ROE, President.

## APPENDIX B

## What Commodities Are Covered by This Regulation

This appendix describes the articles covered by this regulation. These articles are grouped into "categories," each of which is given a number in this appendix. Paragraph (A) lists some categories of apparel and apparel accessories. Paragraph (B) lists the categories of piece goods and certain household textile commodities covered. Paragraph (C) lists the categories of certain consumer durable goods covered. Paragraph (D) lists women's, misses', teens', girls' and toddlers' apparel.

Each category is intended to be a "general" category unless designated as "specific" category. A "specific" category is one which includes only the articles that are specifically listed for that category. A "general" category is one which includes not only the articles that are specifically listed for that category but also all other related articles that fall within the general category description and are not listed in any other category in this appendix. In making your chart you must include in a "general" category all the articles listed in that category; you must include in addition all other related articles that fall within the general description and are not listed in any other category.

If you buy together at a unit price two or more articles (unless the combination is listed in a particular category) place the combination in the category of the article which bears the greatest percentage of the cost price of the combination.

## (A) Categories of Apparel and Apparel Accessories

## (1) Masculine Apparel and Apparel Accessories.

Certain categories are for men only and certain ones for boys only. There are some categories that apply to both men and boys apparel, and some categories which apply to men, women and children. No categories include sizes commonly known as toddlers' or infants'.

## Category 101—Men's Tailored Topcoats and Overcoats

This category does not include any military or civilian uniform overcoats, topcoats, raincoats or other coats covered by categories 105, 105A, 106, 107. Among the articles included are:

Tailored topcoats and overcoats.

Tailored fingertip-length coats, and tailored rain and reversible coats of all lengths.

Detachable coat linings.

## Category 102—Men's Suits and Sport Coats

This category does not include any garments covered by categories 104, 105, 105A, 106 and sport and utility heavy outerwear covered by Category 107. Among the garments included are:

Tailored suits made of cotton, rayon, wool, or other fibres, or of mixtures.

Separate tailored sport coats.

## Category 103—Men's Trousers and Related Items

This category does not include any staple work clothing or any garments covered by categories 105, 105A, 106, 107. Among the garments included are:

Separate trousers, pants, and slacks.

Breeches, riding pants and jodhpurs.

Knickers and walking shorts.

Vests made of woven cloth.

## Category 104—Men's Slack Suits

## Category 105—Men's Civilian Uniforms

Among the garments included are:

Uniform suits (such as conductors', chauffeurs', policemen's, firemen's, bands,

military schools, etc.).

Uniform overcoats and topcoats.  
Uniform jackets.

Uniform trousers.

Uniform hats and caps.

Category 105A—Men's Overalls, including Bib and Dungarees, and Overall Jackets

Category 105B—Men's Work Shirts, Work Pants and Match Sets, including Work Uniforms

Category 105C—Men's Work Accessories, including gloves, bandannas, hosiery, caps and hats (including straw) which are used primarily as work or farm hats

Category 105D—Men's One-piece Work Suits and Men's Smocks

Category 106—Men's U. S. Regulation Military Uniforms

Suits, topcoats and overcoats.

Fingertip length coats and rain and reversible coats of all lengths.

Separate jackets, middies, and blouses made in the manner commonly used for jackets.

Separate trousers, breeches, and tropical shorts.

Category 107—Men's Sports and Utility Heavy Outerwear

Sport and loafer jackets and non-tailored coats except water repellent jackets and sleeveless styles.

Leather coats and jackets.

Combination leather and fabric coats and jackets.

Wool coats and jackets made of woven cloth (such as mackinaws, parkas, loafer coats, swagger coats, melton jackets).

Ski and skating jackets and pants.

Category 107A—Hunting and Fishing Apparel (Men, Women and Children)

Cotton shell coats, jackets and vests (lined and unlined).

Hunting and fishing coats, jackets, breeches, vests and caps.

Category 107B—Men's Raincoats and Water Repellent Garments

Jackets, such as water repellent poplin.

Non-tailored raincoats, rain caps and hats.

Suits.

Pants.

Overalls.

Aprons.

Vests.

Leggings.

Category 108—Juvenile and Boy's Topcoats and Overcoats, sizes 3 to 10 and 6 to 16.

This category does not include uniform overcoats and topcoats covered by Categories 111, 112, 112A. Among the garments included are:

Tailored topcoats and overcoats.

Tailored fingertip-length coats and tailored rain and reversible coats of all lengths.

Detachable coat linings.

Category 108A—Topcoats and Overcoats, Cadets' sizes 10 to 20 and Students'

This category does not include uniform overcoats or topcoats covered by Categories 111, 112, 112A. Among the garments included are:

Tailored topcoats and overcoats.

Tailored fingertip-length coats and tailored rain and reversible coats of all lengths.

Detachable coat linings.

Category 109—Juvenile and Boys' Suits and Sport Coats Sizes 3 to 10 and 6 to 16

This category does not include any garments covered by Categories 111, 112, 112A. Among the garments included are:

Tailored suits, including tailored sport suits made of cotton, rayon, wool, or other fibres or of mixtures.

Separate tailored sport coats.

Category 109A—Suits and Sport Coats, Cadets' sizes 10 to 20 and students'

This category does not include any garment covered by categories 111, 112, 112A. Among the garments included are:

Tailored suits, including tailored sport suits made of cotton, rayon, wool or other fibres or of mixtures.

Separate tailored sport coats.

Category 110—Juvenile and Boys' Trousers and Related Items, Sizes 3 to 10 and 6 to 16

This category does not include any staple work clothing covered by category 111 or any garments covered by Categories 111, 112 and 112A. Among the garments included are:

Separate trousers, pants, and slacks.

Breeches, riding pants, and jodhpurs.

Knickers and outer shorts.

Vests made of woven cloth.

Category 110A—Trousers and Related Items, Cadets' sizes 10 to 20 and Students

This category does not include any staple work clothing covered by 111A or any garment covered by Categories 111, 112, 112A.

Separate trousers, pants and slacks.

Breeches, riding pants, and jodhpurs.

Knickers and outer shorts.

Vests made of woven cloth.

Category 111—Boys' Civilian Uniforms

Uniform suits (such as messenger boys', ushers', bellhops', busboys', boy scouts', etc.)

Uniform overcoats and topcoats.

Uniform jackets.

Uniform trousers.

Uniform hats and caps.

Category 111A—Boys' Play and Work Clothes

This includes dungarees, coveralls, overalls and similar garments:

Work suits.

Work shirts.

Category 112—Boys' Sport and Utility Heavy Outerwear

Leather coats and jackets.

Combination leather and fabric coats and jackets.

Wool coats and jackets made of woven cloth (such as mackinaws, parkas, loafer coats, swagger coats, melton jackets).

Sport and loafer jackets and non-tailored sport coats except water repellent types.

Ski and skating jackets and pants.

Snow suits, legging sets and separate leggings.

Category 112A—Boys' Raincoats and Water Repellent Garments

This category includes:

Jackets such as water repellent poplin.

Non-tailored raincoats.

Caps, hats.

Suits, jackets, pants, overalls, aprons, vests, and leggings.

Category 113—Boy's Play and Work Clothes

Slack suits.

Play suits and play clothes.

Wash suits.

Cowboys', soldiers', sailors', firemen's, and related suits.

Category 114—Men's and Boys' Bathing Wear

Bathing suits and trunks.

Category 115—Men's and Boys' Sweaters

This category includes all knitted outerwear and garments combined of knitted and other fabrics. Among the garments included are:

Sweaters.

Sweater vests.

Sweater coats.

Knitted pull-overs,

Knitted cardigans.

Category 116—Men's and Boys' Underwear and Nightwear

This category includes all underwear and nightwear garments made of either knitted or woven fabrics. Among the garments included are:

Union suits.

Shorts, drawers, and briefs.

Undershirts and T shirts.

Pajamas.

Nightshirts and sleeping coats.

Category 117—Men's and Boys' Shirts

This category includes all types of shirts made from all fabrics, except that it does not include any staple work shirts which are covered by Categories 105B and 111A. It includes military shirts. Among the garments included are:

Dress shirts.

Neck-band shirts.

Collar-attached shirts.

Business shirts.

Sport shirts.

Polo and basque shirts.

Boys' blouses.

Sweat shirts.

Category 118—Men's and Boys' Hosiery

This category includes:

Regular length socks.

Golf socks.

Slack socks.

Crew or sweat socks.

Work socks.

Anklets.

Full length stockings.

Category 119—Men's and Boys' Handkerchiefs, Scarves, and Mufflers

Among the articles included are:

Pocket handkerchiefs.

Sport handkerchiefs.

Fancy handkerchiefs.

Woolen mufflers and scarves.

Knitted mufflers and scarves.

Category 120—Men's and Boys' Neckties

Among the articles included are:

Bow ties. Cravats.

Four-in-hand ties. Ascot ties.

Category 121—Men's and Boys' Sundries

The articles included are:

Suspenders, garters, and arm bands.

Belts.

Separate collars.

Spats.

Men's Wallets.

[Category 121 amended by Amdt. 1]

Category 122—Men's and Boys' Gloves and Mittens

This category does not include any staple work gloves or athletic gloves covered by categories 105C and 351.

Among the articles included are:

Gloves. Mittens.

Category 123—Men's and Boys' Hats (other than Straws)

This category does not include any military or civilian uniform hats and caps covered by Categories 105, 105C, 106 and 11, or hats and caps covered by Categories 107B and 112A. It includes:

Hats and caps.

Hoods.

Helmet.

Ear muffs.

Category 123A—Men's and Boys' Straw Hats

This is a "specific" category. It covers all types of summer straw hats, except those covered by Category 105C. It includes soft styles and stiff styles that are made of woven straw, grass fibres or any imitation thereof and any combination of these materials with any other material.

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Category 124—Men's and Boys' Lounging Wear

Among the garments included are:

Bathrobes, beach robes, beach coats, and dressing gowns.  
Smoking jackets and coats.  
Cocktail and lounging jackets and coats.

(2) Feminine Apparel and Apparel Accessories.

**NOTE:** Categories 201 to 206 include apparel only in women's, misses', and juniors' size ranges. These are called "women's" categories.

Categories 207 to 209 include apparel only in teen age, girls', children's, and toddlers' size ranges. These are called "children's" categories.

Categories 210 to 218 include feminine apparel and accessories in all size ranges except infants' size ranges. These are called "women's and children's" categories:

Coats,	Skirts.
Suits.	Blouses.
Dresses.	Slacks.
Jackets.	Ski Suits.

To price these articles refer to Group 4, Women's, Teen's, Children's and Toddlers' Ready to Wear Categories 1001 through 1030.

Category 201—Women's Sportswear and Beachwear

Among the articles included are:

Shorts, culottes and pedal pushers.  
Playsuits, sunsuits, and halters.  
Polo shirts and basque shirts.  
Bathing suits.  
Beach coats, robes, and capes.  
Beach pajamas.  
Beach bags.  
Bathing and shower caps.  
Sweat shirts.

Category 202—Women's Knitted Outerwear

This category does not include garments which are covered by Categories 1006, 1007, 1010, 1011, 1011A, 1014 and 1017.

Among the garments included are:

Sweaters, sweater coats, jackets, and cardigans.  
Jerkins and vestees.  
Dresses, skirts, and suits.

Category 203—Women's Rainwear

This category does not include uniform rainwear covered by Category 205 or any garment which does not have as its chief use protection against rain. (Excluded are garments covered by Categories 1001, 1002, 1003 and 1014.)

Among the garments included are:

Raincoats. Rain hats.  
Raincapes. Rain hoods.  
Rain jackets.

Category 204—Women's Foundation Garments

Among the articles included are:

Corsets, girdles, and corselettes.  
Brassieres.  
Garters and garter belts.  
Sanitary belts and aprons.  
Combinations or all-in-ones.  
Supports.  
Leg shields.  
Bust forms.  
Bust developing and slenderizing appliances.

This is a "specific" category. It includes uniforms for all the armed services and the Red Cross. The articles covered are:

Coats, capes, and suits.

Separate uniform jackets and skirts.

Uniform blouses.

Uniform dresses.

Uniform hats and caps.

Uniform slacks.

Raincoats and capes and rain hats and hoods.

Category 206—Women's and Girls' Civilian Uniforms and Washable Service Apparel

Among the garments included are:

Uniforms (such as elevator operators', usherettes', nurses', waitresses', maids', messengers', beauticians', laundry workers', etc.) and separate parts of uniforms.

Uniform coats and capes.

Uniform dresses.

Uniform blouses.

Uniform hats and caps.

Uniform slacks and overalls.

Uniform aprons.

Separate uniform jackets and skirts.

Work and shop aprons, frocks, dresses, brunch coats, smocks, gowns, jackets, coats, slacks, coveralls, hats, caps, work gloves, etc.

All other aprons and hooverettes.

Category 207—Children's Sportswear and Beachwear

Among the articles included are:

Shorts and culottes and pedal pushers.  
Playsuits, sunsuits, and halters.  
Polo shirts and basque shirts.  
Beach coats, robes, and capes.  
Beach pajamas.  
Beach bags.  
Bathing caps.  
Sweat shirts.  
Bathing suits.

Category 208—Children's Knitted Outerwear

This category does not include garments which are covered in categories 1005, 1009, 1013, 1016, 1019. Among the garments included are:

Sweaters, sweater coats, jackets, and cardigans.  
Jerkins and vestees.  
Dresses, skirts, and suits.  
Knitted coats and legging sets.

Category 209—Children's Rainwear

This category excludes any garment which does not have as its chief use protection against rain. (Such garments are covered by categories 1005 and 1006.) Among the garments included are:

Raincoats. Rain hats.  
Raincapes. Rain hoods.  
Rain jackets.

Category 210—Women's and Children's Riding Wear and Jackets

Among the garments included are:

All riding breeches and jodhpurs.  
All plastic and all leather and imitation leather coats, windbreakers, jackets and vests.

Category 211—Women's and Children's Woven Underwear and Nightwear

Among the garments included are:

Union suits and combinations.  
Undershirts and vests.  
Bloomers, panties and briefs, drawers, and step-ins.  
Slips and petticoats.  
Chemises and camisoles.  
Dance sets.  
Sleeping pajamas and sleepers.  
Nightgowns.  
Bed jackets and shoulderettes.

Category 211A—Women's and Children's Knitted Underwear and Nightwear

Union suits and combinations.  
Undershirts and vests.

Bloomers, panties and briefs, drawers, and step-ins.

Slips and petticoats.

Chemises and camisoles.

Dance sets.

Sleeping pajamas and sleepers.

Nightgowns.

Bed jackets and shoulderettes.

Category 212—Women's and Children's Lounging Wear

It includes garments made from both woven and knitted fabrics. Among the garments included are:

Housecoats.

Negligees and bathrobes.

Dressing gowns and lounging robes.

Hostess gowns.

Lounging or hostess tunics and slacks.

Cocktail coats.

Lounging pajamas.

Category 213—Women's and Children's Hosiery

Among the articles included are:

Full length stockings.

Knee length stockings and socks.

Other socks.

Anklets.

Peds and sockettes.

Bed socks and foot warmers.

Category 214—Women's and Children's Millinery

Among the articles included are:

Hats. Bonnets.  
Berets. Bridal veils.

Category 215—Women's and Children's Gloves and Mittens

This category does not include any work gloves which are covered by category 206 or any athletic gloves covered by category 351.

Among the articles included are:

Gloves.

Mitts.

Mitts.

Appliances to hold gloves to hand bags.

Category 216—Women's and Children's Handkerchiefs and Related Items

This category includes:

Pocket handkerchiefs.

Fancy handkerchiefs.

Evening handkerchiefs.

Sport handkerchiefs.

Category 217—Women's and Children's Neckwear and Related Items

This category includes:

Artificial flowers or ornaments for hair, dresses or coats, scarves and kerchiefs.

Dickies, vestees, gilets, and bigs.

Collars, cuffs, and collar and cuff sets.

Fascinators, parkas, and babushkas.

Ties.

Ruchings and edgings.

Blousettes.

Category 218—Women's and Children's Handbags

This category includes:

Handbags, purses, and pocketbooks.

Muff bags.

Belts.

Wallets, keyholders, etc.

Appliance to attach handbag to a table.

(3) Infants' Apparel and Accessories

**NOTE:** Categories 301-307 include apparel in infants' size ranges for both sexes and accessories designed for use by infants.

Category 301—Infants' Coats, Snowsuits, and Leggings

This category includes garments made of either knitted or woven fabric, or made of

leather, plastic, or other materials. Among the articles included are:

Coats and coat sets.  
Snowsuits and snowsuit sets.  
Separate leggings.

**Category 302—Infants' Knitted and Crocheted Outerwear**

This category does not include any knitted coats, snowsuits, or leggings. Among the articles included are:

Sweaters, sweater sets, and knitted suits.  
Jackets. Shawls and scarves.  
Mittens and gloves. Booties.

**Category 303—Toddlers' Woven Outerwear**

This category does not include any coats, snowsuits, or leggings.

Among the articles included are:  
Rompers, creepers, and crawlers.  
Sunsuits and playuits.  
Dresses and wash suits.  
Overalls (long and short).  
Woven jackets.

**Category 304—Infants' Headwear**

This category includes all crocheted, knitted, and woven hats. Among the articles included are:

Hats. Caps.  
Bonnets. Hoods.

**Category 305—Infants' Dresses, Underwear and Nightwear**

Among the articles included in this category are:

Panties.  
Gowns and sleepers.  
Kimonos, wrappers, and bath robes.  
Sacques.  
Dresses, slips and gertrudes.  
Training pants and training suits.  
Socks, stockings, and anklets.  
Bands.  
Soakers.  
Plastic or rubber lined diapers and diaper protectors.

[Category 305 amended by Amdt. 1]

**Category 306—Infants' Bedding and Related Items**

This category includes:

Tick or sateen covered pillows.  
Crib sheets, pillow cases, and blankets.  
Other infants' blankets.  
Rubber sheets.  
Pads (including pads for cribs, high chairs, play pens, baskets, bassinets, and nursery floor pads).  
Diaper bags.  
Bunting and carriage suits.  
Infants' towels and wash cloths.  
Mattress pads and similar quilted pads.

**Category 306A—Diapers**

This category includes diapers of birds eye, cheese cloth, and all other materials, including disposable types.

**Category 307—Miscellaneous Infants' Items**

This category does not include any article that can be priced under categories 308, 309 and 310. Among the articles included are:

Carriage covers.  
Blanket covers.  
Infants' quilts.  
Bibs.  
Crib and carriage spreads.  
Fancy pillows.  
Trimmed baskets and bassinets.

**Category 308—Infants' Metal and Woolen Wheel Goods and Other Metal Goods**

Some of the items included in this category are:

Strollers.  
Walkers.  
Collapsible carriages.  
Swings.  
Automobile and carrying baskets.

**Category 309—Infants' Staple Accessories**

Among the items included in this category are:

Staple notions.  
Infant toiletries.  
Bottles and nipples.  
Reed and metal hampers.  
Diaper pails.  
Untrimmed baskets (except metal covered by category 308).

**Category 310—Infants' Novelties**

Included in this category are such items usually designated as gifts. Some of the items included are:

Comb and brush sets.  
Record books.  
Baby scales.  
Bottle warmers.  
Bottle sterilizers.  
Food dishes.  
Rattles.  
Teethers.  
Ear conformers.  
Thumb guards.  
Safety straps.

**(4) Masculine and Feminine Apparel**

**NOTE:** Categories 351-353 include apparel and accessories for men and women and girls and boys in all size ranges except infants' size ranges.

**Category 351—Athletic Clothing and Accessories**

Among the articles included in this category are:

All athletic uniforms (such as baseball, softball, football, basketball, and related suits and separate parts of suits).  
Gym, track, and related suits.  
Colored warm-up suits.  
Tennis, boxing, track, and related shorts.  
Bloomers (for girls and women).  
Abdominal, athletic, ankle, and similar supporters.  
Special athletic hose (such as baseball and football hose).  
Knee, shoulder, chest, hip, and similar pads, guards, and protectors.  
Athletic gloves.

**Category 352—Umbrellas and Canes**

This is a "specific" category. The articles covered are:

Umbrellas.  
Parasols and sunshades.  
Umbrella cases and separate umbrella covers.  
Canes.

**Category 353—Miscellaneous Clothing**

Among the garments included in this category are:

Costumes.  
Regalia.  
Baptismal suits.  
Ecclesiastical vestments and habits.  
Academic gowns.  
All other related garments.

**(5) Footwear**

**NOTE:** Categories 401-410 include footwear of all descriptions and in all sizes for both sexes, including corrective footwear.

**Category 401—Men's Dress Shoes**

Street shoes.  
Sport shoes.  
Evening pumps and shoes.  
High top street shoes.  
Low-cut shoes or oxfords, other than work oxfords.  
Sandals, casuals, and moccasins for outdoor wear.

**Category 402—Men's Work Shoes**

This does not include shoes priced under category 402A, 402B and 410. Among the shoes included are:

High top work shoes.

Low-cut oxford type work shoes.  
Logger boots, utility cowboy boots, and men's high-cut laced boots.  
Shearling or felt shoes (other than slippers).

**Category 402A—Overshoes for Men, Women and Children**

This category does not include any shoes in category 402B; it does include:

Rubbers.  
Rubber boots.  
Rubber overshoes.  
Similar articles made of plastic or other materials.

**Category 402B—Men's, Women's and Children's Rubber-Soled Canvas Shoes**

This category includes all shoes commonly known as tennis shoes or sneakers.

**Category 403—Little Gents', Youths' and Boys' Shoes**

Among the shoes included are:

Street shoes.  
Sport shoes.  
High top shoes.  
Low-cut shoes or oxfords.  
Sandals, casuals, and moccasins for outdoor wear.  
Work shoes.

**Category 405—Women's and Growing Girls' Shoes**

This category does not include any shoes covered by 402A, 402B or 409 or any safety shoes covered by category 410. Among the shoes included are:

Street shoes.  
Sport shoes.  
Evening slippers.  
Pumps and step-ins.  
Strap shoes.  
Ties and oxfords.  
High top shoes.  
Sandals, casuals, and moccasins for outdoor wear.  
Beach shoes, clogs, and sandals.  
Play shoes.  
Stadium boots.

**Category 406—Misses' and Children's Shoes**

This category does not include any shoes covered by Category 402A, 402B, 409 and 410. It includes shoes in sizes only up to and including size 3. Among the shoes included are:

Street shoes.  
Pumps and step-ins.  
Strap shoes.  
Ties and oxfords.  
High top shoes.  
Sandals, casuals, and moccasins for outdoor wear.  
Play shoes.

**Category 407—Infants' Shoes**

Among the shoes included are:

Soft-soled shoes.  
Hard-soled shoes.  
Sandals.  
High top shoes.  
Strap shoes.  
Ties or oxfords.

**Category 408—Men's, Women's and Children's and Infants' House Slippers**

This category includes house shoes and slippers made of all materials in all size ranges and for both sexes. Not included are footwarmers covered in Category 213. Among the shoes and slippers included are:

Bedroom slippers.  
House slippers.

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Mules.  
Scuffs.  
Hard-soled house shoes and slippers.  
Soft-soled house shoes and slippers.  
Romeos.  
Pullman slippers.  
Julietts.  
Lounging shoes and slippers for indoor wear.  
Moccasins for indoor wear.  
Leather and other fabric soles with knitted socks attached.

**Category 409—Men's, Women's and Children's Athletic Shoes**

This category includes shoes in all size ranges and for both sexes. Among the shoes included are:

Baseball, basketball, football, soccer, track, tennis, and related athletic shoes.  
Gym shoes.  
Spiked golf shoes.  
Golfing shoes.  
Skating shoes.  
Boxing shoes.  
Ski boots.  
Riding boots and jodhpur boots.

**Category 410—Men's, Women's and Children's Safety Shoes**

This category includes safety shoes for both men and women. Among the shoes included are:

Shoes having steel box toes.  
Industrial protective footware.

(B) *Categories of Household Textile Commodities, Drapery Hardware and Certain Yard Goods*

(1) *Certain Household Textile Commodities and Certain Yard Goods*

**Category 501—Bed Linens**

This is a "specific" category. It does not include any crib sheets, pillow cases, or rubber sheets, pillow cases covered by category 306, or rubber sheets covered by category 305. It includes articles made of all types of fabrics. The articles covered are:

Bed sheets.  
Pillow slips and cases.

**Category 502—Blankets and Electric Blankets**

This category does not include any infants' or crib blankets covered by categories 306 and 307. Among the articles included are:

Electric blankets.  
Blankets.  
Blanketing and blanket robe cloth.  
Auto robes.  
Steamer rugs.  
Afghans and throws.

**Category 502A—Quilts**

This category does not include any infants' or crib quilts covered by categories 306 and 307. Among the articles included are:

Comforts.  
Quilts.

**Category 502B—Spreads**

This category does not include any infants' or crib spreads covered by categories 306 and 307. Among the articles included are:

Chenille spreads.  
Woven spreads.  
Ready-made spreads of all fabrics.  
Matching ensembles of a spread and window drape.

**Category 502C—Bed Pillows**

This category includes all bed pillows regardless of cover and contents, except that it

does not include any infants' or crib pillows covered by categories 306 and 307. Among the articles included are:

Feather pillows. Cotton pillows.  
Kapok pillows. Rubber pillows.

**Category 503—Bath and Kitchen Linens and Accessories**

This category does not include any infants' towels or wash cloths covered by category 306. It includes articles as listed below whose value has not been enhanced by printing, hemstitching, embroidery or other embellishment.

Turkish or terry cloth towels, towel sets, and toweling.  
Huck towels, towel sets, and toweling.  
Kitchen towels and toweling.  
All other towels and toweling.  
Wash cloths.  
Dish cloths.  
Bath mats, not covered by category 803A.

**Category 504—Fancy Table and Household Linens**

In this category are items made of woven materials, plastics, cork, etc., whose value has been enhanced by printing, embroidery, hemstitching, or other embellishments. Among the articles included are:

Table cloths.  
Woven table cloth material.  
Napkins.  
Table cloth and napkin sets.  
Table pads and padding.  
Bridge sets.  
Doilies and dolly sets.  
Place mats and luncheon sets.  
Fancy linens other than bed linens.  
Dresser sets.  
Scarves and runners.  
All towels not covered by category 503.

**Category 504A—Staple Table and Household Linens**

In this category are items made of woven materials, plastics, cork, etc., whose value has not been enhanced by printing, embroidery, hemstitching, or other embellishments. Among the articles included are:

Table cloths.  
Woven table cloth material.  
Napkins.  
Table cloth and napkin sets.  
Table pads and padding.  
Bridge sets.  
Doilies and dolly sets.  
Place mats and luncheon sets.  
Fancy linens other than bed linens.  
Dresser sets.  
Scarves and runners.

**Category 505—Domestics**

Among the articles covered are:  
Sheeting materials, bleached and unbleached, narrow and wide width.  
Pillow covers.  
Mattress covers.  
Ticks and ticking.  
Batts and batting.  
Blanket covers and quilt covers.  
Waterproofed sheets and sheeting.  
Bed pads.  
Duck and khaki.

**Category 506—Curtains and Drapes**

Among the articles in this category are:  
Window and door curtains.  
Ready-made draperies.  
Kitchen curtains and cottage sets.

**Category 506A—Ready-Made Slip Covers (for Chairs, Sofas, Studio Couches, etc.)**

Among the articles in this category are:  
Slip covers of all fabrics.  
Knitted slip covers.  
Woven slip covers.  
Plastic slip covers.

**Category 506B—Shower Curtains and Drapes**

Included in this category are items made of all materials including plastics:

Shower curtains.

Matching window drapes, not covered by

Category 506.

Sets or combinations of the above.

**Category 507—Curtain, Drapery, and Upholstery Fabrics**

Included in this category are the following:

Curtain fabrics.

Drapery fabrics.

Upholstery fabrics.

Slip-cover fabrics.

Drapery lining and interlining.

**Category 508—Drapery Hardware**

This category includes all articles made of metal, plastic, or other hard materials designed to make possible the hanging of curtains or drapes, or to improve the appearance of the curtains or drapes or the opening to which the drapery or curtain is attached. Among the items included are:

Solid and extending rods. Poles.  
Pulls.

Traverse rods and track. Traverse cords.

Hooks. Chains.

Tie-backs. Traverse pulleys.

Cornices. Pleaters.

**Category 509—Window Shades and Venetian Blinds**

In this category are included:

Window shades of paper.

Window shades of cloth.

Window shades of other materials.

Window shades of shade cloth.

Shade rollers.

All types of Venetian blinds (wood, metal, paperboard or any other material).

**Category 510—Outdoor Shades and Awnings**

In this category are included all types of rigid, roll-up and other styles used outside of windows and doors or on porches. Included are:

Canvas awnings and shades.

Metal awnings.

Bamboo shades.

(2) *Certain Yard Goods*

**Category 601—White and Solid Colored Cottons, Linens and Plastics**

This category covers all cotton yard goods, linens and plastic yard goods of all weaves and constructions that are either all white or a solid color unless otherwise covered by Categories 502, 503, 503A, 505, 507 and 607. This category also covers all yard goods that contain 50% or more by weight of cotton, linen or plastic and less than 25% by weight of wool. Some of the items included are:

Cheesecloth. Terrycloth for apparel.

Nainsooks. Denims.

Batistes. Linings.

Dimities. Sateens.

Lawns. Handkerchief linens.

Combed muslins. Dress linens.

Organdies. Jerseys.

Percales. Solid colored cot-

Broadcloths. ton suiting.

Flannelettes. Corduroy and vel-

**Category 602—Fancy Yard Goods (Cottons, Linens, Plastics)**

This category includes all types of yard goods described in Category 601 but which have printed, embroidered or woven patterns

in different colors or other embellishments. Some of the items included are:

Nainsooks.	Terrycloth for apparel.
Embroidered batiste.	Denims.
Dimities.	Linings, sateens.
Lawns.	Handkerchief linens.
Combed muslins.	Dress linens.
Organdies.	Woven gingham.
Printed percales.	Dotted Swiss.
Striped flannel-ettes.	Jacquards.
Corduroy and velveteen.	Matelasses.

**Category 603—All Wool Yard Goods Costing Over \$2.45 Net Per Yard**

This category does not include any blankets covered by category 502 or drapery or upholstery fabrics covered by category 507. It includes all woolen and worsted yard goods, woven or knitted of yarns containing 25 percent or more by weight of wool fibers. Any yard goods having less than 25 percent wool are to be priced in the category that governs the yarn which by weight forms the greatest percentage of the total contents. Among the fabrics included are:

Woven woolen and worsted yard goods.  
Knitted woolen and worsted yard goods.

**Category 603A—All Wool Yard Goods Costing \$2.45 Net or Less Per Yard**

This category does not include any blankets covered by category 502 or drapery or upholstery fabrics covered by category 507. It includes all woolen and worsted yard goods, woven or knitted of yarns containing 25 percent or more by weight of wool fibers. Any yard goods having less than 25 percent wool are to be priced in the category that governs the yarn which by weight forms the greatest percentage of the total contents. Among the fabrics included are:

Woven woolen and worsted yard goods.  
Knitted woolen and worsted yard goods.

**Category 605—Solid Color Rayon, Silk, and Synthetic Fiber Yard Goods, Pile Fabrics and Mixtures**

This category includes all types and weaves of woven and knitted fabrics made of these yarns or mixtures of more than 50 percent of weight of these yarns combined with cottons, linens and plastics. Excluded are fabrics covered by categories 601, 603A, 605A and 606. Among the fabrics included are:

Flat crepes.	Spun types and flannel.
Surface interest crepes.	Butcher Rayon.
Taffeta.	Shantung.
Bengaline.	Gabardine.
Satin.	Suitings.
Faille.	Synthetic and silk corduroys.
Jersey.	Transparent velvet.
Romain.	
Alpaca.	

**Category 605A—Fancy Rayon, Silk, and Synthetic Fiber Goods, Pile Fabrics and Mixtures**

This category includes all types of yard goods described in category 605 but which have printed or embroidered patterns or patterns woven in different color or any other embellishment. Jacquards and matelasse are included.

**Category 606—Sheers, Lace, Net, and Miscellaneous Fancy Fabrics**

This category includes woven, knitted, and crocheted fabrics. Included are:

Marquisette, chiffon, georgette, nets, made of cotton, rayon, nylon, or other synthetic fiber.  
Burnt sheers made of rayon or nylon.  
Organdies made of rayon or nylon.  
Velvarey made of rayon or nylon.  
Embroidered sheers of all above types.  
Laces (35" and wider).  
Tulle, maline, tarlatan.

**Category 607—Coated Fabrics**

Oil cloth.  
Rubberized fabrics.  
Pyroxylin coated fabrics.

**(C) Categories of Consumer Durable Goods and Related Articles**

[Headnote (C) amended by Amdt. 2]

**(1) Household furniture.**

**Category 701—Bedroom Suites and Open Stock Pieces**

Wood and metal bedroom suites and open stock bedroom pieces including:

Beds.	Vanities.
Chest of drawers.	Vanity benches.
Dressers.	Wardrobes.
Night tables.	Chiffoniers.

**Category 703—All Other Metal and Wood Beds and Bedroom Pieces That You Did Not Buy Matched with a Bed and At Least One Other Piece to Make a Three-Piece Ensemble Possible**

Among the pieces included are:

Individual beds.	Vanity benches.
Vanities.	Night tables.
Chest of drawers.	Chiffoniers.
Dressers.	

**Category 704—Boudoir Chairs**

Furniture distinguished by its construction and coverings as intended for use in bedrooms including:

Boudoir chairs and rockers.  
Chaise longues.  
Ottomans.

**Category 705—Cedar Chests**

This category includes any wood finished cedar or cedar-lined chests.

**Category 706—Dining Room Suites and Open-Stock Pieces**

This category includes wood dining-room suites, dinette suites, and all open stock of dining room and dinette pieces:

Dining and dinette tables.	
Buffets.	Servers.
Credenzas.	China closets.
Chairs.	Cupboards.
Cabinets.	Hutches.

**Category 706A—Metal Dinette Suites and Separate Pieces**

All metal tables or metal combined with any other material, for example, metal legs with wood tops and suites containing tables: Chairs, all metal or metal combined with other materials. All metal dinette pieces including tables, buffets, credenzas, chairs, cabinets, servers, china closets, cupboards, hutes, and benches.

**Category 708—Individual Pieces of Dining-room Furniture**

Pieces not bought as matched sets (a table, chairs, and at least one other article) which are commonly offered as individual pieces:

Chairs.	Cupboards.
China cabinets.	Cabinets.
Buffets.	Servers.
Tables.	Hutches.
Benches.	

**Category 709—Chairs and Rockers**

All wood chairs, all over-stuffed chairs, all upholstered or combination type including those known as pull-up, occasional, and desk chairs. This category includes chaise longues and ottomans. It does not include dining room and dinette chairs, boudoir chairs, kitchen or bathroom chairs or chairs in Categories 717 and 717A.

**Category 710—Upholstered Suites, Sofas and Love Seats**

This category includes suites containing a sofa or love seat and one or more matching chairs. Does not include any sofa or suite in Categories 717 and 717A.

**Category 712—Upholstered Dual Purpose Sleeping Equipment**

This category includes upholstered sofa-beds, single and double studio couches, love seats, chairs, davenport, etc., which open into beds and a suite of these articles with one or more chairs.

**Category 713—Living-Room Tables of All**

This category includes cocktail, end, coffee, gate-leg, lamp, drop-leaf, etc., tables made of wood, glass, plastic, etc., non-folding rigid bridge tables and complete rigid bridge sets.

**Category 714—Desks, Secretaries and Break-fronts**

**Category 715—Living-Room Novelty Pieces**

This category includes smokers, cellarars, magazine racks, bookcases, record cabinets, sewing cabinets, telephone sets, costumers and stools, portable and stationary bars, bar stools and bar benches.

**Category 716—Kitchen and Utility Cabinets, Kitchen Tables, Chairs and Stools**

This category includes kitchen cabinets of all kinds, kitchen tables, kitchen chairs, kitchen stools, utility cabinets, kitchen step stools, electric roaster base cabinets, sink cabinet bases without plumbing, storage hampers, bath room stools and chairs.

**Category 717—Furniture for Outdoor Use and Bridge Tables**

Included in this category are all items that may be used outdoors.

This category includes porch and lawn furniture, whether made of wood, metal, reed fiber, rattan or any combination of these. Included here are chairs, rockers, tables, settees, garden and beach umbrellas, gliders, swings, garden umbrella sets, collapsible folding chairs, Adirondack chairs, rustic chairs, etc., all folding bridge tables, folding bridge chairs, and combinations of bridge tables and chairs.

**Category 717A—Sun Parlor Furniture**

Suites and individual pieces made of wood, metal, reed, fiber, rattan or any combination of these whether upholstered or not but which can not remain outdoors without damage; also suites and pieces made of wood including oak, maple or other wood usually displayed with wood fronts. Included are:

Chairs.	Settees.
Tables.	Chaise longues.
Sofas.	

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**Category 718—Juvenile Furniture**

This category includes all articles of infants', nursery, and youths' furniture. Among these are:

Bassinet.	High chairs.
Crib.	Bathinettes.
Play yards.	Nursery seats.
Porch gates.	Juvenile tables.
Chests.	Chairs.
Dressers.	Rockers, etc.
Chifforobes.	

**Category 719—Unfinished Furniture**

This category includes all unfinished furniture such as unfinished kitchen sets, tables and chairs, bookcases, chests, dressers, beds, magazine racks, record cabinets, etc. A coat of shellac, varnish or other surface covering material merely to prevent soiling of this furniture does not remove it from this category.

**Category 720—Pictures and Mirrors**

Included in this category are all framed and unframed pictures and mirrors.

**(2) Bedding**

These categories do not cover household textile commodities such as sheets, pillow cases, mattress protectors, blankets, comforters, etc., which are included in Paragraph (b) of this appendix, nor pillows.

**Category 751—Mattresses, Springs, Mattress Pads, and Headboards**

This category includes mattresses, springs, box springs, mattress pads, rubber mattresses, upholstered and non-upholstered headboards of all types and materials. It also includes box springs on legs, set combinations of a matching mattress and box spring on legs, headboard sets (consisting of a headboard and box spring with or without a mattress), etc.

**Category 752—Wood and Metal Cots**

This category includes folding and non-folding cots of all kinds and any combination set consisting of a cot and mattress or mattress pad.

**(3) Floor coverings and certain wall covering**

All floor coverings are included in these categories.

[Category 752 amended by Amdt. 1]

**Category 801—Soft Surface Carpeting by the Yard and Rugs Made of This Carpeting**

This category includes all kinds of carpeting made of cotton (except those covered in category 803A and 803C), wool, jute, rayon, or other fibers or any combination of these materials, which is sold on the basis of the price per yard or square yard and is to be cut from the bolt. Also all rugs made of this carpeting cut from the bolt in all sizes.

**Category 802—Soft Surface Larger Rugs**

This category includes all kinds of rugs, 4' x 6' or larger, made of cotton (except those covered by category 803A or 803C), wool, jute, rayon, or other fibers or any combination of these materials, which you buy on the basis of the price per rug.

**Category 803—Soft Surface Smaller Rugs**

This category includes all kinds of rugs smaller than 4' x 6' or larger, made of cotton (except those covered by Category 803A or 803C), wool, jute, rayon, or other fibers or any combination of these materials, which are sold on the basis of the price per rug. This does not include any rug in Category 803A or 803C.

**Category 803A—String and Chenille Cotton Rugs**

All string rugs.  
Looped pile.  
Cut pile.

Chenille rugs. Also bolt materials of the above descriptions.

Rugs and toilet lid cover sets.  
Separate toilet lid covers.

**Category 803B—American, Chinese or Japanese Hooked Rugs of all Sizes (if not imported by seller)**

This category also includes numdah type rugs.  
Animal skin rugs.

**Category 803C—Miscellaneous Floor Covering and Linings**

This category includes all yard goods and rugs not covered by Categories 803, 803A, 803B. Included are: rugs made of rags, braid, waste, felted materials, cocoa and other door mats, stair pads, carpet pads, padding and carpet paper. Also included are rugs and tiles made of grass, fiber, etc., most frequently designated as summer rugs.

**Category 803D—Genuine Oriental Rugs**

Included are rugs of all sizes commonly known as Genuine or Real Orientals that are not imported by you.

**Category 804—Hard Surface Floor Covering**

This category includes all kinds of hard surface floor covering and wall covering, inlaid linoleum, felt base linoleum, rubber and plastic sold by square yard from bolts; also tiles of linoleum, rubber, asphalt, plastic, etc., sold by square foot, square yard or by tile.

**Category 805—Hard Surface Rugs**

This category includes all kinds of hard surface floor covering (linoleum, felt base, etc.), which is bought by you on the basis of the price per rug.

**(4) Lamps and Lamp Shades****Category 851—Floor Lamps**

This category includes floor lamps, reflector lamps, bridge lamps, etc., of all types and materials.

**Category 852—Table and Desk Lamps costing over \$2.94.**

The price of \$2.94 is net cost to you f. o. b. factory and includes packing charges. This category includes all lamps not priced under categories 851 and 852A.

**Category 852A—Table and Desk Lamps costing \$2.94 and under**

The price of \$2.94 is net cost f. o. b. factory and includes package charges. This category includes all lamps not priced under categories 851 and 852.

**Category 854—Lamp Shades and Covers**

This category covers lamp shades of all types, sizes and materials and all styles of lamp shade covers.

**(5) Categories of Musical Instruments****Category 860—Pianos, Electric Organs and Electronic Attachments for Pianos or Organs**

This is a "specific" category.

**Category 861—Other Musical Instruments**

This category includes all musical instruments other than those in Category 860. Including but not limited to the following:

Strings	Wood Winds
Violins	Clarinets
Violas	Saxophones
'Cellos	Oboes
Double Basses	Bassoons
Mandolin	English Horns
Guitar	

**Wood Winds—Con.**

Flutes	Percussion Drums (kettle, bass, and snare)
Piccolos	Drummers' accessories such as gourds, cymbals, and maracas
Brasses	Miscellaneous
Trumpets	Harps
Cornets	Marimbas
Trombones	Xylophones
Baritones	
Basses	
Sousaphones	
French Horns	

**(6) Radios****Category 871—Table Radios****Category 872—Portable Radios****Category 873—Table Radio-Phonograph Combinations****Category 874—Amateur or Communications Type Short-Wave Table Radios****Category 875—Console and Consolette Radios****Category 876—Console Radio-Phonograph Combinations, with a net cost of less than \$225****Category 877—All types of radios and radio-phonograph combinations (custom cabinet, etc.) with a net cost of \$225 or more****Category 878—Radio Replacement Parts****(7) Television Sets and Television Accessories****Category 880—Table Television Sets****Category 881—Console Television Sets up to and Including 16" Picture Tube****Category 882—Console Television Sets, 17" Picture Tube and Larger****Category 883—All Television Combinations Examples: Television - Radio Combinations****Television-Radio-Phonograph Combinations****Category 884—Television Antennae, Boosters, Accessories, Replacement Parts****(8) Phonographs and Recorders**

Combinations are covered by categories 873, 876, 877, and 883.

**Category 890—Record Player Attachments with a net cost of less than \$17****Category 891—Record Player Attachments with a net cost of \$17 and over****Category 892—Portable Phonographs and Separate Phonographs****Category 893—Magnetic Recorders, Tape or Wire (not including office equipment for recording correspondence)****Category 894—Phonograph Records (all types)****Category 895—Tape and Wire for Magnetic Recording****(9) Housewares**

Categories 901 to 908 include certain houseware categories similar to those found in the housewares department of a department store or the housewares section of a hardware store. Kitchen furniture which is covered by categories 706 and 706A is not included in these categories. Category 908, a single category, covers 20 classifications of housewares.

**Category 901—Household Cleaning Brushes**

This category includes all types of household cleaning brushes. Excluded are personal brushes such as toilet brushes, hair brushes, etc. Examples of the articles included are:

Scrubbing brushes	Bathtub brushes
Vegetable brushes	Pastry brushes
Sink brushes	Tumbler brushes
Radiator brushes	

## Category 902—Fireplace Equipment

Examples of the articles included are:  
 Mantels              Fireplace shovels  
 Screens              Artificial fireplaces  
 Andirons              Electric logs, etc.  
 Pokers

## Category 903—Household Thermometers

This category includes all types of household thermometers. Excluded from this category are clinical thermometers. Examples of the articles included are:

Oven thermometers  
 Outdoor thermometers  
 Room thermometers  
 Meat thermometers  
 Candy thermometers  
 Deep fat thermometers, etc.

## Category 904—Kitchen Cutlery

This category includes all types of kitchen cutlery. Excluded from this category is silver cutlery which is covered by category 940. Examples of the articles included are:

Kitchen forks        Steak sets  
 Kitchen knives      Kitchen shears  
 Slicers              Kitchen saws  
 Carving sets and    Food choppers  
     carving aids     Poultry shears  
 Knife and fork sets Boning shears

## Category 905—Power Lawn Mowers

This is a "specific category." Hand lawn mowers (not power driven) are covered by category 908.

## Category 906—Small Electrical (Houseware) Appliances

This category includes all types of small electrical houseware appliances. Excluded are large major appliances, such as refrigerators.

Examples of the articles included are:

Electric toasters    Electric roasters  
 Electric mixers     Electric portable heaters  
 Electric grills      Electric bottle warmers  
 Electric waffle irons Electric curling irons  
 Electric irons (including steam iron and travel irons)  
 Electric heating pads  
 Electric coffeemakers  
 Electric fans  
 Electric ventilators  
 Electric juicers  
 Electric sun lamps  
 Electric broilers  
 Electric hot plates

## Category 907—Utility Cabinets (Movable)

This category covers movable utility cabinets. Excluded are composition wardrobes which are covered by category 919. Examples of the articles included are:

Steel wardrobes and chests  
 Steel shelf cabinets  
 Broom cabinets  
 Wall cabinets  
 Base cabinets, etc.

## Category 908—General Housewares

The following 20 classifications of housewares are all covered by this one category. Items not to be included in this category are noted following each classification.

## 1. Bathroom Accessories

Not included in Bathroom Accessories are: shower curtains and matching draperies covered by category 506B; bathroom rugs, toilet lid covers and lid cover sets covered by categories 803A and 503; and bathroom stools and chairs covered by category 716.

Examples of the articles included in Bathroom Accessories are:

Shelves              Glass rods  
 Towel bars            Bathroom tumblers  
 Soap dishes          Bathroom scales  
 Racks                Hampers, etc.

## 13. Kitchen Glassware and Pottery (including plastics)

## 2. Door Chimes

## 3. Cleansing Equipment

Not included in Cleansing Equipment are: dish cloths covered by category 503; and household brushes covered by category 901.

Examples of the articles included in Cleansing Equipment are:

Brooms	Sponges
Mops	Carpet sweepers
Dust pans	Dusters, etc.

## 4. Cleaning Supplies

Examples of the articles included are:

Waxes	Deodorizers
Polishes	Powders
Cleaners	Steel wool
Cleansers	Cleansing cloth, etc.

## 5. Cooking Utensils (pots and pans)

Examples of the articles included are:  
 Aluminum ware cooking utensils  
 Cast iron ware cooking utensils  
 Tin ware cooking utensils  
 Copper ware cooking utensils  
 Glass ware cooking utensils  
 Enamel ware cooking utensils  
 Stainless steel cooking utensils  
 Plastic cooking utensils, etc.

## 6. Food Bags and Covers

Examples of the articles included are:  
 Bowl covers        Food bags  
 Bowl cover sets    Appliance covers, etc.

## 7. Food Preparation Devices

## 8. Kitchen Aids and Gadgets and Kitchen Tools

Examples of the articles included are:

Cookie cutters	Cheese knife
Corks	Ice picks
Moulds	Ice crushers
Cake turner	Beaters
Can opener	Bottle openers
Strainers	Shredders
Spatulas	Salt and pepper shakers
Measuring cup	Tea balls
Basters	Nut crackers
Peelers	Peppermills
Mashers	Knife sharpeners
Cork screws	Kitchen scales
Ladies	Ice-cream dippers
Sifters	Butter churns
Slicers	Food mills
Choppers	Kitchen tools, etc.
Juicers	Grapefruit knife

## 9. Galvanized Ware

Examples of the articles included are:

Ash cans	Water pails
Garbage cans	Wash boilers, etc.
Washtubs	

## 10. Garden Equipment

Not included in Garden Equipment are power lawn mowers which are covered by category 905.

Examples of the articles included in Garden Equipment are:

Weeders	Pruning shears
Rakes	Hand lawn mowers
Spades	Garden hose
Garden shovels	Sprinklers, etc.
Garden hoes	

## 11. Grocery Carts

## 12. Miscellaneous Household Equipment, Window Ventilators, Radiator Shields

Examples of the articles included are:

Humidifiers	Ventilators
Air Moisterizer pans	Trays
Radiators shields	Waste baskets, etc.

Examples of the articles included are:

Waterbottles	Bowls and Bowl sets
Butterdishes	Coffeemakers (not electric)
Cocktail shakers	Refrigerator sets, etc.
Range sets	
Servers	
Casseroles	

## 14. Miscellaneous Kitchen Utensils

Examples of the articles included are:

Basins	Percolators
Double boilers	Pitchers
Colanders	Ovens
Teakettles and tea-pots	Canning accessories, etc.

## 15. Kitchen Wooden Ware (plain)

Examples of the articles included are:

Rolling pins	Spoons
Knife and fork boxes	Potato mashers
Knife racks	Cutting or bread boards, etc.
Pastry boards	

## 16. Laundry Equipment

Examples of the articles included are:

Outdoor dryers	Washboards
Indoor dryers	Wringer
Clothes baskets	Laundry bags
Clothes props	Ironing boards
Clothes pins	Sleeve boards
Clothes pin bags	Pads and covers
Curtain stretchers	Ladders, etc.

## 17. Oilcloth and Paper Household Needs

This category does not include paper household needs covered by Category 915.

Examples of the articles included are:

Chair pads	Paper doilies
Paper napkins	Paper drapes, etc.
Paper bags	

[Classification 17 amended by Amdt. 3]

## 18. Pantry Ware

Examples of the articles included are:

Cake box	Cookie jars
Cannister sets	Vegetable bins
Bread boxes	Dust pans
Step-on cans	Stove mats, etc.
Floor cans	

## 19. Picnic Supplies

Examples of the articles included are:

Picnic jugs	Paper plates*
Picnic grills	Paper cups
Picnic baskets	Vacuum bottles
Fitted picnic suit cases	

## 20. Rubber Kitchen Ware and Rubber Covered Wire Goods

All kinds of rubber mats and rubber implements for sink and kitchen.  
 Rubber covered wire goods.

## (10) Categories of Notions

## Category 915—Sanitary napkins, tampons, toilet tissues and other paper items

This category does not include paper household needs included in Category 908, Classification 17. Examples of the articles included are: Sanitary napkins, Tampons, Facial Tissue, Toilet Tissue, Paper Towels, Wax paper.

[Category 915 amended by Amdt. 3]

## Category 916—Threads and Similar Items

Examples of articles included are:

Mercerized threads	Mending and Darning Cottons
Sewing Silks	Buttonhole Twists
Cottons	
Basting	Carpet Threads

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### Category 917—Hair Goods

Examples of articles included are:

Make-up capes	Slumber caps
Shower caps	Hair nets
Curlers and clips	Comb cleaners
Curling irons	Bobble Pins
Barrettes	Metallic Braids
Wire and bone hair pins	Wigs—Toupees
Combs of all types	Hair Rats and Switches
Wave caps	Hair Braids

### Category 918—Staple and Novelty Buttons and Buckles

This category includes all buttons and buckles.

### Category 919—General Notions

The following 14 classifications of notions are covered by this one category. Items not to be included in this category are noted following each classification.

#### 1. Bathing Accessories

\* Examples of the articles included are:

Bathing belts
Rubber flowers
Rubber and wooden beach sandals
Cosmetic cases

#### 2. Closet Shop Accessories

Examples of the articles included are:

Garment bags	Glove boxes
Shoe bags	Jewelry boxes
Laundry bags	Handkerchief boxes
Hat boxes	Shelf edging
Blanket boxes	Shoe, mittens, hat stands
Blanket bags	Pants, coat, suit, dress, skirt and blouse hangers
Paper or plastic covered utility shoe chests	Tie racks
Composition wardrobes	
Hose boxes	

#### 3. Elastics and garters

Examples of the articles included are:

Elastic by yard (all widths)
Round garters
Girdle supporters
Hank elastic

#### 4. Household Notions

Examples of the articles included are:

Rubber gloves
Mending cement and glue
Pressure adhesive tapes
Moth preventatives

#### 5. Identification Tapes

This category includes all identification tapes, such as embroidered or printed name tape, tape with initials, etc.

#### 6. Notion Novelties

Examples of articles included are:

Powder puffs	Carry-all
Sachets	Card table covers
Wooden novelties	Plastic table covers

#### 7. Sanitary Goods

This category does not include the following items covered by Category 204: girdles, brassieres, garter belts, sanitary aprons, and sanitary belts and supports; nor the following items covered by Category 915: sanitary napkins, tampons, facial tissue.

Examples of articles included are:

Dress shields	Rubber bloomers
Back shields	Sanitary petticoats
Chafe guards	Sanitary step-ins

#### 8. Sewing Boxes and Stands

Examples of articles included are:

Spool holders
Knitting boxes and bags
Sewing kits

#### 9. Sewing and gift cutlery sets

This category does not include poultry, boning and other shears which are included in Category 904.

Examples of articles included are:

All scissors, shears
Manicure scissors
Pedicure scissors
Baby scissors
Scissor sets for sewing uses
Scissor sets for manicure uses

#### 10. Replacement Sewing Needs

Examples of articles included are:

Collars	Leather patches
Cuffs	Knitted cuffs
Neck bands	Press on mending
Pockets	tapes

#### 11. Sewing Supplies

Examples of articles included are:

Snaps	Pins
Fasteners by cards or yard; hook and eye tape	Darners
Carpet Binding	Tape measures
Blanket Binding	Press weights
Belting	Collar supports
Bias tape	Shoulder pads
Skirt markers	Pin cushions
Featherboning	Brassiere straps & replacement parts
Seam binding	Other small sewing needs
Thimbles	Needles

#### 12. Shoe Findings and Accessories

Examples of articles included are:

Shoelaces
Polishes
Dyes
Suede Brushes
Shoe trees (Men's and Women's)
Shoe polishing brushes and cloths
Shoe horns
Boot calks

#### 13. Dryer forms

This category includes all sweater, glove and hose dryers.

#### 14. Zippers and other slide fasteners

##### (11) Luggage and Sporting Goods

#### Category 920—Luggage and Related Items

Included are men's and women's hard-side and soft-side luggage and other related articles made of plastic, canvas, leather, fiber, nylon, etc. Not included are golf bags included in category 921.

Examples of the articles included are:

Animal carriers	Kit bags
Attache cases	Laundry cases
Binocular and Camera cases	Lockers
Boston bags	Nurses bags
Bottle cases	One suiters
Brief bags and cases	Over night and weekend bags and cases
Club bags	Physicians' bags
Companion bags	Pullman cases
Duffle bags and cases	Sample cases
Fitted cases	Tourists' cases
Fiber cases	Traincases
Fishing rod cases	Trunks
Gladstone bags	Two-suiters
Gun cases	Wardrobe bags and cases
Hat and shoe bags	Zipper envelopes
Jackknife cases	

##### Category 921—Sporting Goods

This sporting goods category does not include the following: golf and tennis balls, which are included in category 922; bicycles which are included in category 923; all athletic clothing, shoes, and accessories which are included in categories 351 and 409.

Examples of articles included are:

Archery equipment
Badminton equipment
Bags (caddy, golf, punching, etc.)
Baseball equipment (bats, balls, masks, etc.)
Basket balls
Boxing, wrestling and striking bag equipment
Croquet sets and equipment
Fishing tackle
Fishing rods
Other fishing accessories
Football equipment
Golf clubs
Handball equipment
Helmets (athletic)
Hockey equipment
LaCross equipment
Shuttle board equipment
Skate (ice and roller)
Ski equipment (skis, poles, binding, etc.)
Snowshoes
Soccer balls
Softball equipment (balls, bats and masks)
Squash equipment
Surf boards
Table tennis equipment
Tennis rackets
Toboggans, bob-sleds and equipment
Volley ball equipment

#### Category 922—Golf and Tennis Balls

This is a "specific" category.

#### Category 923—Bicycles

This is a "specific" category.

#### Category 924—Bicycle Accessories

Examples of articles included are:

Horns
Bells
Lights, etc.

#### (12) Silverware, China and Glassware

#### Category 940—Sterling Flatware

Examples of articles included are:

Flatware (individual pieces or sets)
Serving pieces
Cutlery with plated blades or handles (sets or separate pieces)

#### Category 942—Sterling or Plated Hollowware

This category includes articles of hollowware which are sterling silver, silver-plated, chromium plated, or plated with other materials.

Examples of articles included are:

Butter dishes
Vegetable dishes
Water pitchers
Cheese and cracker dishes
Casserole
Ice-buckets
Cocktail shakers
Salad sets
Salt and pepper shakers
Bowls
Candle holders
Candelabras
Trays and platters
Sugar and creamers

#### Category 943—Silverware Accessory Items

Examples of articles included are:

Silverware chests
Covered bags for silverware
Silverware Polishing Cloths

Category 944—Chinaware, Earthenware and Plastic Sets

Examples of articles included are:

China and earthenware and plastic sets for table use.

Category 945—Chinaware, Earthenware and Plastic, Open Stock or Individual Pieces

This category includes open stock and individual pieces of china, earthenware and plastic for table use.

Category 946—China and Earthenware Giftware

This category includes individual decorative items made of china and earthenware.

Examples of articles included are:

Vases	Ash trays
Figurines	Artificial fruit
Cigarette sets	Plaques
Bowls	

Category 950—Machine-made Glassware Sets and Individual Glass Pieces

This category does not include glass cooking ware which is covered by category 908.

Examples of articles included are:

Tumblers	
Drinkware sets or separate pieces	
Salt and pepper sets	
Dinner, bridge and luncheon sets	
Console sets and individual pieces of these sets.	

Category 951—Handmade Glassware Sets and Individual Glass Pieces

This category includes hand-pressed, hand-blown and hand-molded glassware sets and individual glass pieces; and hand-cut, hand-etched, hand-painted and engraved stemware, drinkware items and individual pieces.

#### (13) Jewelry, Watches, and Clocks

Note. Categories 970-985 do not include articles described here as "precious jewelry." "Precious jewelry" when the value of the "precious stone" (or "precious stones") exceeds the value of the total of the other component parts of the finished article, includes the following:

(1) Any article a component part of which is a "precious stone" (or "precious stones"); or

(2) A mounting into which a "precious stone" (or "precious stones") is set.

A "precious stone" for this purpose means a natural pearl, diamond, ruby, sapphire or emerald. The term "precious stone" also includes the following when the selling price for the item by the cutter, wholesale dealer or importer is \$25.00 or more:

(1) Any other genuine stone, including a semi-precious stone.

(2) Any synthetic stone.

(3) Any cultured pearl or group of cultured pearls (combined in a single article). [Headnote to Categories 970-985 amended by Amdt. 3]

Category 970—Precious Metal Jewelry  
(Gold, platinum, etc.)

This precious metal jewelry category does not include sterling silver jewelry which is included in Category 971.

Examples of articles included are:

Rings	Brooches
Bracelets	Lavalieres
Necklaces	Men's Jewelry
Earrings	Charms
Locket	Emblem Pins
Pendants	

Category 971—Costume Jewelry

This category includes articles which are gold filled or gold or silver plated, or are made of base metals.

Examples of articles which are included are:

Rings	Lavalieres
Bracelets	Charms
Necklaces	Emblem Pins
Earrings	Simulated pearl jewelry
Locket	Bead Jewelry
Pendants	Plastic Jewelry
Brooches	

Category 972—Ring Mountings and Mountings for Other Jewelry Items

This category includes all mountings for jewelry made from gold, platinum, silver, or any other metal. (Note the exception in the headnote preceding section 970.)

Category 973—Wedding Rings

This category includes all wedding rings made of gold, platinum, silver, or any other metal.

Category 974—Religious Jewelry

Category 975—Watch Attachments (Precious Metal)

This category includes articles made of gold, platinum and sterling silver.

Examples of articles included are:

Watch Bands	
Watch Fobs	
Watch Charms	

Category 976—Watch Attachments (Other Than Precious Metal)

This category includes gold-filled, gold-plated, silver-plated, base metal, leather, plastic and any other watch attachments. Not included are watch attachments made of precious metals which are included in Category 975.

Examples of articles included are:

Watch Fobs	
Watch Charms	
Watch Bands	

Category 977—Precious Metal Unfitted Compacts, Cigarette Cases and Miscellaneous Cases

This category includes unfitted compacts, cigarette cases and miscellaneous cases made of gold, sterling silver, platinum and other precious metals.

Examples of articles included are:

Compacts (unfitted)	Match cases
Cigarette cases	Pill boxes
Cigar cases	Snuff boxes

Category 978—Unfitted Compacts, Cigarette Cases and Miscellaneous Cases (Other Than Precious Metal)

This category includes gold-filled, gold-plated, silver-plated unfitted compacts, cigarette cases, and miscellaneous cases, and all such cases made of any base metal, plastic, wood or any other material. Excluded from this category are such cases made of precious metal which are included in Category 977.

Examples of articles included are:

Compacts (unfitted)	Snuff boxes
Cigarette cases	Match cases
	Pill boxes

Category 979—Dresser Sets and Military Sets (Precious Metal)

This category includes dresser sets and military sets made of gold, sterling silver and platinum. Excluded are infants' sets which are covered by Category 310.

Category 980—Dresser Sets and Military Sets (Other Than Precious Metal)

This category includes dresser sets and military sets made of any material other than precious metals. Excluded are the articles covered by Category 979; also ex-

cluded are infants' sets, which are covered by Category 310.

Category 981—Watches

This category includes all watches.

Category 982—Men's Jewelry (Precious Metal)

This category includes articles made of gold, sterling silver, platinum, or other precious metal.

Examples of articles included are:

Cuff links	Tie ornaments
Tie clips	Pins
Tie holders	Collar buttons

Category 983—Men's Jewelry (Other Than Precious Metal)

This category includes articles made of any material other than precious metals. Excluded are the articles made of precious metals which are included in Category 982.

Examples of articles included are:

Cuff links	Tie ornaments
Tie clips	Pins
Tie holders	Collar buttons

Category 984—Clocks (Electric)

This category includes all electric clocks.

Examples of articles included are:

Desk and table clocks	Novelty clocks
Kitchen clocks	"Grandfather" clocks
Alarm clocks	

Category 985—Clocks (Non-Electric)

This category includes all non-electric clocks.

Examples of articles included are:

Desk and table clocks	Novelty clocks
Kitchen clocks	"Grandfather" clocks
Alarm clocks	

[Categories 860-985, inclusive, added by Amdt. 2]

(D) Women's, Teen's, Children's and Toddlers' Ready to Wear Group

Note: For other items of apparel and accessories refer to categories 201 through 218.

Category 1001—Women's Fur Trimmed and Fur Lined Coats

Included are all coats not covered by categories 201, 203, 205, 206, 351, 353 and 1014. It includes coats for women, misses and jr. misses commonly bought in sizes 7 to 17 size range:

Fur trimmed coats.

Fur lined coats.

Coats with removable fur linings.

Removable fur linings.

Category 1002—Women's Untrimmed Coats

This includes all coats for women, misses and jr. misses usually bought in sizes 7 to 17, but does not include any coats covered by categories 201, 203, 205, 206, 351, 353 and 1014.

Category 1004—Teen Age and Girls' Coats

This includes all coats in sizes 10 to 16 and 7 to 14 not covered by categories 206, 207, 209, 351, 353 and 1015.

Category 1005—Girls' and Toddlers' Coats

This includes all coats size 6x and smaller except those covered by Categories 303 and 1016. Also included are coat and leggings sets, coat, hat and leggings sets other than those covered by Category 302.

(1) Women's and Girls' Suits

For this regulation a suit consists of a coat and skirt priced together, or a coat with two or more skirts, or a coat, vest and skirt or skirts, provided they are bought as a unit

## RULES AND REGULATIONS

and priced as a unit. The intent is to separate clearly in your chart suits from two-piece dresses which are to be priced under categories 1010 to 1013. One definition of a suit is a two-piece garment, the skirt of which may be worn without the coat in combination with a blouse.

### Category 1006—Women's Suits

Included are all women's suits usually brought in the size range of 32's, 34's, etc., women's half sizes, women's extra large or extra long suits. Not included are suits covered by categories 201, 205, 206, 351, 353, 1023 and 1026.

### Category 1007—Misses' and Jr. Misses' Suits

Included in this category are all suits bought in sizes 10 to 20 and 7 to 17, but does not include any suit in categories 201, 205, 206, 351, 353, 1023 and 1026.

### Category 1008—Teen Age and Girls' Suits

This includes all suits for girls in size 7 to 14 and 10 to 16 except those covered in categories 205, 206, 207, 351 and 353.

### Category 1009—Girls' and Toddlers' Suits

This includes all suits for both boys and girls both in size ranges 3 to 6x but does not include boys' suits that are usually bought in size ranges from 3 to 8 or 3 to 12 which are priced under categories 109, 113 and 303.

### (2) Dresses

These categories cover dresses for all ages and sizes for girls and women. All style dresses are covered including one- and two-piece models, the latter consisting of a skirt and a separate blouse or a separate unlined jacket sold at one unit price. The intent of this regulation is to price two-piece dresses under these categories and not under suit Categories 1006, 1007 and 1008. Excluded are all women's dresses covered by Categories 202, 205 and 206, and girls' dresses covered by Categories 202, 206 and 208, and toddlers' dresses covered by Category 303 and all infants' dresses. All other dresses of all materials are included, such as: Street dresses, afternoon dresses, party dresses, formals, house dresses, jumpers and pinafores.

### Category 1009A—Wedding Dresses

Included are: All wedding dresses in women's, misses', and juniors' sizes. One characteristic of dresses in this category is long sleeves or a long-sleeved jacket that is sold with the dress. This category does not include formals which are covered by Categories 1010 and 1011.

### Category 1010—Women's Dresses Costing Over \$2.53

All dresses in women's sizes, such as 36's, 38's, etc., all half-sizes, all extra sizes, with a cost at source of over \$2.53 after all discounts have been deducted.

[Category 1010 amended by Amdt. 1]

### Category 1010A—Jr. Size Dresses costing over \$2.53

This category covers all dresses bought in jr. sizes (7 to 17), costing at source over \$2.53 after all discounts have been deducted.

[Category 1010A amended by Amdt. 1]

### Category 1011—Misses' Dresses Costing Over \$2.53

Included are all dresses bought in misses' sizes (10 to 20) and costing at source, \$2.53 net after all discounts have been deducted.

### Category 1011A—Dresses Costing \$2.53 and Less

Included in this category are dresses of all descriptions bought in women's sizes, misses'

sizes and jr. sizes (7 to 17) costing at the source \$2.53 and less after all discounts have been deducted.

### Category 1012—Teen Age and Girls' Dresses

This category covers dresses of all descriptions for teen age girls usually bought in size scale 10 to 16 and girls' sizes 7 to 14.

### Category 1013—Small Girls' and Toddlers' Dresses

This category includes all dresses for toddlers and girls in size 6x and smaller.

### (3) Jackets, Vests and Ski Clothes

Separate jackets are garments which can be opened from neck to bottom, with or without sleeves, which ordinarily are not worn tucked into skirts, slacks or shorts. Included in these categories are ski jackets, ski pants, ski suits, snow suits, skating jackets and jackets of all types. These categories cover jackets made of all materials including leather, artificial leather, plastics and knitted yard goods. Not included are garments covered by Categories 202, 203, 1023, 1024 and 1025.

### Category 1014—Women's Jackets

Included are jackets bought in sizes 36's, 38's, etc., misses' jackets bought in sizes 10 to 20 and jackets bought in jr. sizes 7 to 17.

### Category 1015—Teen Age and Larger Girls' Jackets

This category covers jackets for girls usually bought in sizes 7 to 14 and in teen age sizes 10 to 16.

### Category 1016—Girls' and Toddlers' Jackets

This includes jackets bought in size 6x and smaller. Excluded are all apparel for boys bought in 3 to 8 and 3 to 12 ranges which are covered by categories 1012 and 1012A.

### (4) Separate Skirts.

Categories 1017 to 1019 cover separate skirts for women and girls, made of all materials except those covered by categories 202, 205, 206 and 208.

### Category 1017—Women's and Misses' Skirts

This category includes skirts bought in women's sizes, misses' sizes and in jr. sizes, 7 to 17, also in waist sizes corresponding to these sizes.

### Category 1018—Girls' and Teen Age Skirts

This category covers all skirts bought to fit teen age girls, sizes 10 to 16 and girls' sizes 7 to 14 and in waist band sizes to correspond to these sizes.

### Category 1019—Girls' and Toddlers' Skirts

This covers all skirts bought for girls in size 6x and smaller.

### (5) Blouses and Shirts.

Categories 1020 through 1022 cover all types of blouses and shirt waists made of all materials except those garments covered by categories 201, 202, 205, 206, 207 and 208.

### Category 1020—Women's and Misses' Blouses

This category covers blouses usually bought in sizes 34's, 36's, etc., sizes 10 to 20 and 7 to 17 and in any sizes that correspond to these.

### Category 1021—Teen Age and Girls' Blouses

This category covers all blouses bought in sizes 10 to 16 and 7 to 14 and in any size range that corresponds to these sizes.

### Category 1022—Girls' and Toddlers' Blouses

This category covers blouses bought in size 6x or smaller. Excluded are all boys' blouses

and shirts bought in 3 to 12 year size range which are covered by category 117 and toddler garments that are covered by category 803.

### (6) Slacks and Slack Suits

Categories 1023, 1024 and 1025 cover separate slacks, slack suits and slack sets made of all materials in sizes for women, girls and children. A slack suit is a combination of a slack (covered by this category) and a separate jacket, separate blouse or attached blouse sold as a unit. Excluded are items covered by Category 206. Some of the garments included are overalls (other than work clothes), slacks, jodhpurs, slack suits, slack sets. Garments covered by this category are full-length garments and excludes all garments that are covered by categories 201, 205, 206 and 207.

### Category 1023—Women's Slacks and Slack Suits

Included are garments in all sizes for women, misses and jrs., sizes 7 to 17 and in waist sizes equivalent to these sizes.

### Category 1024—Girls' and Teen Age Girls' Slacks

This category covers garments in girls' sizes 7 to 14 and teen age sizes 10 to 16 and garments bought in waist sizes equivalent to these.

### Category 1025—Girls' and Toddlers' Slack Suits

This includes all garments bought in sizes 6x and smaller except toddler garments covered by category 303 and except boys' garments covered by categories 110, 111, 112 and 113.

### (7) Ski and Snow Suits

Categories 1026 and 1027 cover ski and snow suits of all materials for women, misses, girls and teenage girls. All one-piece and two-piece snow suits and ski suits with separate or attached hood are included when sold at a unit price.

### Category 1026—Women's Ski and Snow Suits

Included are garments in all sizes for women, misses and juniors, and in waist sizes equivalent to these sizes.

### Category 1027—Girls' and Teen-Age Ski and Snow Suits

This category covers garments in girls' sizes 7 to 14 and teenage sizes 10 to 16 and garments bought in waist sizes equivalent to these.

### (8) Legging Sets and Separate Leggings

The following category covers legging sets and separate leggings for girls, children and toddlers. Included are all sets consisting of coats or jackets with leggings, with or without hats, hoods, or caps sold at a unit price.

### Category 1028—Legging Sets and Separate Leggings

This category includes legging sets for girls, children and toddlers (sizes 1-14) and separate leggings (sizes 1-14, inclusive).

### (9) Separate Ski Pants for Women and Children

### Category 1029—Women's, Misses' and Junior Misses' Separate Ski Pants

### Category 1030—Toddler, Girls' and Teen-Age Separate Ski Pants

[Categories 1026-1030, inclusive, added by Correction]

## APPENDIX C

Category you are pricing	Comparable categories								
	First	Second	Third	Fourth	Fifth	Sixth	Seventh	Eighth	Ninth
101	102	107	108A	108	109A	109	112	117	1007
102	101	109A	109	108A	108	107	112	117	1007
103	110A	110	107	112	115	117	102		
104	103	115	117	114	116	110	1023		
105	107	112	103	110	206				
105A <sup>1</sup>									
105B	105C								
105C	105B								
105D	105A	501							
106	102	101	108	109	109A	108A	205		
107	112	102	101	108	109				
107A	107B	107	112	109	1014				
107B	112A	107A	112	102	101	108	109		
108	109	108A	109A	101	102	109	107	1005	
108A	109A	108A	109	108	101	102			
109	108	102	101	112	107B				
109A	108A	109	108	1008					
110	110A	103	112	107	115	1014	1018		
110A	110	103	112	107A	115	1014	1018		
111	101	109	105	107A	112				
111A	105B								
112	107	108	109	102	101				
112A	107B	107A	112	109	107	107			
113	110	107A	117	202	111				
114	115	113	201	202	117				
115	107	202	208	117					
116	118	115	211	211A	117				
117	115	201	116						
118	116	119	213						
119	118	216	120	122	217				
120	119	122	217	216					
121	119	120	216	218					
122	215	119	120	121					
123	103	107	112						
123A	*123	107A	112						
124	212	107A	112						
201	202	207	208	115	117	1020	1017	- 1023	
202	201	208	207	115	1020	1017			
203	209	112A	107B	1014					
204 <sup>1</sup>									
205	106	203							
206	1011	1014							
207	208	201	202	114	209	213	1020	1017	
208	207	202	201	115	114				
209	207	203	112A	201	202				
211	211A	201	212	207					
211A	211	201	212	207	116				
212	211	202	124	117	116				
213	116	117	217	216					
214 <sup>1</sup>									
215	217	211	122	117					
216	119	217	120	121	215				
217	215	216	119	213	120	121			
218	405	211		107					
301	208	302	303	202	1005	1028	108		
302	208	202	115	301	1005	1028	112		
303	207	201	113	302	1005	1028	202		
304	123	218	214	204					
305	211	116	1013	1022	201	202			
306	205	303	307						
306A <sup>1</sup>									
307	306	305							
308 <sup>1</sup>									
309 <sup>1</sup>									
310 <sup>1</sup>									
351 <sup>1</sup>									

<sup>1</sup>No comparable categories.

\*You establish a price for a straw hat (Category 123A) by pricing it as if it belonged to Category 123. After you have found the price under the appropriate pricing rule as if the straw hat belonged to Category 123, you may add 8% of that selling price to the selling price and the result is your ceiling price for the straw hat.

Example: If you are pricing a straw hat, Category 123A, having a net cost of \$3.00, you look at your chart for Category 123. Assume there is a net cost of \$3.00 and an offering price of \$5.00 on your chart for Category 123. Your ceiling price for the straw hat will be \$5.00 plus 8% of \$5.00 (5.00+.40). Thus the ceiling price will be \$5.40.

## RULES AND REGULATIONS

## APPENDIX C—Continued

Category you are pricing	Comparable categories								
	First	Second	Third	Fourth	Fifth	Sixth	Seventh	Eighth	Ninth
352	215	122	218	1020	202				
353 <sup>1</sup>									
401	403	402	406	123					
402	410	403	401	123					
402A <sup>1</sup>									
402B <sup>1</sup>									
403	406	401	113						
406	403	401	218						
408	406	407	403	202	1020				
409	401	403	408	107	112	851			
410	111A	105	107						
501 <sup>1</sup>									
502 <sup>1</sup>									
502A	502B	502C	504A						
502B	502C	502A	504A						
502C	502A	502B							
503	505								
504	506								
504A	502C	502B	502A						
505	503	502A	502B						
506	504	506A	504						
506A	506B	506	504						
506B	506	507	506A						
507	506	506A	506B						
508	507								
509	508								
601	602	605	605A	606					
602	601	605	605A						
603	605	605	602						
603A <sup>1</sup>									
605	605A	602	601	606					
605A	605	602	606	601					
606	605A	605	602	601					
607	602	605	605A						
701	708	714	703	710					
703	708	709	713	712	706A				
704	703	705	709	712	720				
705	704	708	714						
706	701	708	714	713					
706A	716	703	712						
708	704	703	705	714	713				
709	712	710	704	703					
710	712	709	714	704					
712	710	709	704	711					
713	703	707	715	709					
714	701	708	706						
715	713	709	703						
716	718	719							
717	715	713	717A						
717A	717	715	713						
718	716								
719	716	718	706A						
720	708	707	704						
751	709	712	710						
752	751	722							
801	802								
802	801								
803	803C	803A	803B						
803A	803C	803	803B						
803B	803C	803	803A						
803C	805	803A	803B						
804	801	805							
805	806	802							
851	852	853	854						
852	851	853	854						
882A	853	854							
853	854	851	852A						
854	853								
1001	1002	1006	1007	1010	1020	1011			
1002	1001	1006	1007	1003	1010	1011			
1003	1002	1006	1007	1011	1010	1020			
1004	1008	1012	1014	1002	1011	1020	1009		
1005	1009	1016	1019	1013	1022	1012	1011	1003	
1006	1007	1002	1001	1014	1017	1010	1011		
1007	1006	1002	1014	1001	1011	1010	1020	1008	
1008	1004	1015	1012	1021	1011	1010	1020		
1009	1005	1016	1019	1013	1022	1008	1012	1028	1011
1010	1011	1001	1002	1006	1014	1007	1017	202	
1011	1010	1007	1017	1014	1006	1020	1021	1002	202
1012	1018	1015	1008	1004	1021	1011	1017	1014	1007
1013	1019	1016	1009	1005	1028	1022	1030		
1014	1007	1002	1017	1006	1010	1011	1020		
1015	1008	1004	1018	1012	1021	1014	1011	1020	
1016	1009	1005	1019	1013	1022	1015	1028		
1017	1014	1007	1011	1020	202	1010	1002	1003	
1018	1015	1008	1004	1012	1021	1017	1011	202	
1019	1016	1009	1013	1005	1022	1018	1012	1015	1028
1020	202	1017	1014	1023	1006	1011	1021	1010	
1021	202	1018	1015	1024	1012	1011	1020	1004	
1022	1013	1019	1016	1028	1030	1025	1009	1005	
1023	1017	1020	202	1014	1005	1010	1011	1026	1003
1024	1018	1015	1007	1027	1021	1012	1011	1004	202
1025	1030	1028	1019	1016	1009	1005	1022	1013	
1026	1023	1017	1014	1006	202	1020	1001	1010	1011
1027	1024	1028	1015	1018	1008	1004	1012	202	1021
1028	1019	1009	1016	1005	1013	1022	1030	1025	
1029	1026	1023	1017	1014	1005	202	1020	1010	1011
1030	1027	1024	1028	1029	1018	1016	1019	1005	

<sup>1</sup> No comparable categories.

[Categories 401-409 amended by Amdt. 1]

## APPENDIX D

TABLE FOR FIXING IN-LINE CATEGORY MARKUPS UNDER RULE 6 (SECTION 37)

Category Group I	Under and in- cluding 35	Over 35 includ- ing 35	Over 38 includ- ing 41	Over 41 includ- ing 44	Over 44 includ- ing 47	Over 47 includ- ing 50	Over 50 includ- ing 53	Over 53 includ- ing 56	Over 56 includ- ing 59	Over 59 includ- ing 62	Over 62 includ- ing 65	Over 65 includ- ing 68	Over 68 includ- ing 71	Over 71 includ- ing 74	Over 74 includ- ing 77	Over 77 includ- ing 80	Over 80 includ- ing 83	Over 83 includ- ing 86	Over 86 includ- ing 89	Over 89 includ- ing 92	Over 92 includ- ing 95	Over 95 includ- ing 98	Over 98 includ- ing 101
101	36.3	39.5	42.7	46.0	49.2	52.4	55.6	58.8	62.0	65.3	68.5	71.7	74.9	78.1	81.4	84.5	87.8	91.0	94.2	97.4	100.7	103.9	107.1
102	34.4	37.4	40.5	43.5	46.6	49.6	52.7	55.7	58.8	61.8	64.9	67.9	70.9	74.0	77.0	80.1	83.1	86.2	89.2	92.3	95.3	98.4	101.4
103	32.9	35.8	38.7	41.6	44.5	47.4	50.3	53.2	56.2	59.1	62.0	64.9	67.8	70.7	73.6	76.6	79.5	82.4	85.3	88.2	91.1	94.0	96.9
104	35.0	38.1	41.2	44.3	47.5	50.6	53.7	56.8	59.9	63.0	66.1	69.2	72.3	75.4	78.5	81.6	84.7	87.8	90.9	94.1	97.2	100.3	103.4
105	30.2	32.8	35.5	38.2	40.9	43.5	46.2	48.9	51.6	54.2	56.9	59.6	62.3	65.0	67.6	70.3	73.0	75.7	78.3	81.0	83.7	86.4	89.0
105A	16.0	17.4	18.8	20.3	21.7	23.1	24.5	25.9	27.3	28.8	30.2	31.6	33.0	34.4	35.9	37.3	38.7	40.1	41.5	42.9	44.4	45.8	47.2
105B	23.8	26.0	28.1	30.2	32.3	34.4	36.5	38.6	40.8	42.9	45.0	47.1	49.2	51.2	53.4	55.6	57.7	59.8	61.9	64.0	66.1	68.2	70.4
105C	23.8	26.0	28.1	30.2	32.3	34.4	36.5	38.6	40.8	42.9	45.0	47.1	49.2	51.3	53.4	55.6	57.7	59.8	61.9	64.0	66.1	68.2	70.4
105D	20.7	22.5	24.3	26.1	28.0	29.8	31.6	33.5	35.3	37.1	39.0	40.8	42.6	44.3	46.3	48.1	50.0	51.8	53.6	55.5	57.3	59.1	60.9
106	33.4	36.4	39.3	42.3	45.3	48.2	51.2	54.1	57.1	60.1	63.0	66.0	69.0	72.1	74.9	77.9	80.8	83.8	86.7	89.7	92.7	95.6	98.6
107	31.7	34.6	37.4	40.2	43.0	45.8	48.6	51.4	54.3	57.1	59.9	62.7	65.5	68.3	71.1	74.0	76.8	79.6	82.4	85.2	88.0	90.8	93.7
107A	35.0	38.1	41.2	44.3	47.5	50.6	53.7	56.8	59.9	63.0	66.1	69.2	72.3	75.4	78.5	81.6	84.7	87.8	90.9	94.1	97.2	100.3	103.4
107B	35.0	38.1	41.2	44.3	47.5	50.6	53.7	56.8	59.9	63.0	66.1	69.2	72.3	75.4	78.5	81.6	84.7	87.8	90.9	94.1	97.2	100.3	103.4
108	34.4	37.4	40.5	43.5	46.6	49.6	52.7	55.7	58.8	61.8	64.9	67.9	70.9	74.0	77.0	80.1	83.1	86.2	89.2	92.3	95.3	98.4	101.4
108A	33.9	36.9	39.9	42.9	45.9	48.9	51.9	54.9	57.9	60.9	63.9	66.9	69.9	72.9	75.9	78.9	81.9	84.9	87.9	90.9	93.9	96.9	99.9
109	33.9	36.9	39.9	42.9	45.9	48.9	51.9	54.9	57.9	60.9	63.9	66.9	69.9	72.9	75.9	78.9	81.9	84.9	87.9	90.9	93.9	96.9	99.9
109A	34.4	37.4	40.5	43.5	46.6	49.6	52.7	55.7	58.8	61.8	64.9	67.9	70.9	74.0	77.0	80.1	83.1	86.2	89.2	92.3	95.3	98.4	101.4
110	31.2	34.0	36.8	39.5	42.3	45.1	48.2	51.2	54.1	57.1	60.1	63.0	66.0	69.0	72.0	75.0	78.0	81.0	84.0	87.0	90.0	93.0	96.0
110A	31.9	34.7	37.5	40.4	43.2	46.3	49.4	52.3	55.4	58.2	61.4	64.5	67.2	70.0	72.8	75.5	78.3	81.1	83.9	86.0	88.9	92.2	95.0
111	23.8	26.0	28.1	30.2	32.3	34.4	36.5	38.6	40.8	42.9	45.0	47.1	49.2	51.3	53.4	55.6	57.7	59.8	61.9	64.0	66.1	68.2	70.4
111A	27.2	29.6	32.1	34.5	36.9	39.3	41.7	44.1	46.6	49.0	51.4	53.8	56.2	58.6	61.0	63.5	65.9	68.3	70.7	73.1	75.5	78.0	80.4
112	31.2	34.0	36.8	39.5	42.3	45.1	48.7	51.9	54.7	57.1	60.1	63.0	66.0	69.0	72.0	75.5	78.3	81.1	83.9	86.6	89.4	92.2	95.0
112A	31.7	34.6	37.4	40.2	43.0	45.8	48.6	51.4	54.3	57.1	60.9	63.7	66.5	69.3	72.1	74.0	76.8	79.6	82.4	85.2	88.0	90.8	93.7
113	31.8	34.6	37.4	40.2	43.1	45.9	48.7	51.5	54.3	57.2	60.0	62.8	65.6	68.4	71.3	74.1	76.9	80.4	83.6	86.4	89.2	91.0	93.9
114	35.9	39.1	42.3	45.4	48.6	51.8	55.0	58.2	61.4	64.5	67.7	70.9	74.1	77.3	80.4	83.6	86.8	90.0	93.2	96.4	99.5	102.7	105.9
115	32.8	35.7	38.6	41.6	44.4	47.3	50.3	53.2	56.0	59.1	61.9	64.8	67.7	70.6	73.5	76.4	79.3	82.3	85.2	88.1	91.0	93.9	96.8
116	33.1	36.0	39.0	41.9	44.8	47.8	50.7	53.7	56.6	59.5	62.5	65.4	68.3	71.3	74.2	77.1	80.1	83.0	86.0	88.9	91.8	94.8	97.7
117	32.3	35.2	38.1	41.0	43.8	46.7	49.6	52.4	55.3	58.2	61.0	63.9	66.8	69.6	72.5	75.4	78.2	81.1	84.0	86.8	89.7	92.6	95.5
118	32.2	36.2	39.1	42.0	45.0	47.9	50.9	53.8	56.8	59.7	62.7	65.6	68.5	71.5	74.4	77.4	80.3	83.3	86.2	89.2	92.1	95.0	98.0
119	35.3	38.4	41.6	44.7	47.9	51.0	54.1	57.2	60.4	63.5	66.7	69.8	72.9	76.1	79.2	82.3	85.5	88.6	91.7	94.8	98.0	101.1	104.3
120	39.1	42.6	46.1	49.6	53.0	56.5	60.0	63.5	67.0	70.4	73.9	77.4	80.9	84.3	87.8	91.3	94.7	98.2	101.7	105.2	108.7	112.1	115.6
121	37.4	40.7	44.0	47.3	50.7	54.0	57.3	60.6	63.9	67.3	70.6	73.9	77.2	80.5	83.8	87.2	90.5	93.8	97.1	100.4	103.7	107.1	110.4
122	35.8	39.0	42.2	45.4	48.5	51.7	54.9	58.0	61.2	64.4	67.6	70.8	74.0	77.2	80.3	83.5	86.7	90.0	93.0	96.2	99.4	102.6	105.7
123A *	34.8	37.9	41.0	44.1	47.2	50.3	53.4	56.4	62.6	65.7	68.8	71.9	75.0	78.1	81.1	84.2	87.3	90.4	93.5	96.6	100.7	103.2	106.4
124	35.0	39.2	42.4	45.6	48.8	52.0	55.2	58.4	61.6	64.8	68.0	71.2	74.4	77.6	80.8	84.0	87.2	90.3	93.6	96.8	100.9	103.2	106.4
201	37.8	41.1	44.4	47.8	51.1	54.5	57.8	61.2	64.5	67.9	71.2	74.6	78.0	81.3	84.6	88.0	91.3	94.7	98.0	101.4	104.7	108.1	111.4
202	35.7	38.7	42.1	45.2	48.4	51.6	54.8	57.9	61.1	64.2	67.4	70.6	73.8	76.9	80.1	83.3	86.4	89.6	92.8	95.9	99.1	102.3	105.4
203	34.5	37.6	40.6	43.7	46.8	49.8	52.9	56.0	59.0	62.1	65.1	68.2	71.3	74.4	77.5	80.6	83.8	87.0	90.1	93.2	96.3	99.4	102.5
207	34.4	37.4	40.5	43.5	46.6	49.6	52.7	55.7	58.8	61.8	64.9	67.9	70.9	74.0	77.0	80.1	83.1	86.2	89.2	92.3	95.3	98.4	101.4
208	33.0	35.9	38.9	41.8	44.7	47.6	50.6	53.5	56.4	59.3	62.3	65.2	68.1	71.1	74.0	76.9	79.8	82.8	85.7	88.6	91.5	94.5	97.4
209	32.8	35.7	38.6	41.4	44.4	47.3	50.3	53.2	56.1	59.0	61.9	64.8	67.7	70.6	73.5	76.4	79.3	82.3	85.2	88.1	91.0	93.9	96.8
210	36.5	39.7	43.0	46.2	49.4	52.7	55.9	59.2	62.4	65.6	68.9	72.1	75.3	78.0	81.8	84.9	87.9	90.9	93.8	96.7	99.6	102.5	
211	34.7	37.8	40.8	43.9	47.0	50.0	53.1	56.2	59.3	62.3	65.4	68.5	71.5	74.6	77.7	80.8	83.9	86.8	90.7	93.6	96.5	99.4	102.3
212	37.4	40.7	44.0	47.3	50.6	53.6	56.5	59.3	62.4	65.5	68.6	71.7	74.8	77.9	81.0	84.3	87.5	90.6	93.7	96.6	99.5	102.3	
213	33.0	36.9	39.9	42.9																			

## RULES AND REGULATIONS

## APPENDIX D—Continued

TABLE FOR FIXING IN-LINE CATEGORY MARK-UPS UNDER RULE 6 (SECTION 37)

Category Group II*	Under and including 62												Over 62 including 65												Over 65 including 68												Over 68 including 71												Over 71 including 74												Over 74 including 77												Over 77 including 80												Over 80 including 83												Over 83 including 86												Over 86 including 89												Over 89 including 92												Over 92 including 95												Over 95 including 98												Over 98 including 101												Over 101 including 104												Over 104 including 107												Over 107 including 110												Over 110 including 113												Over 113 including 116												Over 116 including 119												Over 119 including 122												Over 122 including 125												Over 125 including 127																																																																																																																																																																																																																																																																																																																																																																																			
	Under and including 35			Over 35 including 38			Over 38 including 41			Over 41 including 44			Over 44 including 47			Over 47 including 50			Over 50 including 53			Over 53 including 56			Over 56 including 59			Over 59 including 62			Over 62 including 65			Over 65 including 68			Over 68 including 71			Over 71 including 74			Over 74 including 77			Over 77 including 80			Over 80 including 83			Over 83 including 86			Over 86 including 89			Over 89 including 92			Over 92 including 95			Over 95 including 98			Over 98 including 101			Over 101 including 104			Over 104 including 107			Over 107 including 110			Over 110 including 113			Over 113 including 116			Over 116 including 119			Over 119 including 122			Over 122 including 125			Over 125 including 127																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														
701.....	64.9	68.1	71.3	74.5	77.7	80.9	84.2	87.4	90.6	93.8	97.0	100.2	103.4	106.6	109.8	113.0	116.2	119.4	122.6	125.8	129.0	132.2	135.4	138.6	141.8	145.0	148.2	151.4	154.6	157.8	161.0	164.2	167.4	170.6	173.8	177.0	180.2	183.4	186.6	189.8	193.0	196.2	199.4	202.6	205.8	209.0	212.2	215.4	218.6	221.8	225.0	228.2	231.4	234.6	237.8	241.0	244.2	247.4	250.6	253.8	257.0	260.2	263.4	266.6	269.8	273.0	276.2	279.4	282.6	285.8	289.0	292.2	295.4	298.6	301.8	305.0	308.2	311.4	314.6	317.8	321.0	324.2	327.4	330.6	333.8	337.0	340.2	343.4	346.6	349.8	353.0	356.2	359.4	362.6	365.8	369.0	372.2	375.4	378.6	381.8	385.0	388.2	391.4	394.6	397.8	401.0	404.2	407.4	410.6	413.8	417.0	420.2	423.4	426.6	429.8	433.0	436.2	439.4	442.6	445.8	449.0	452.2	455.4	458.6	461.8	465.0	468.2	471.4	474.6	477.8	481.0	484.2	487.4	490.6	493.8	497.0	500.2	503.4	506.6	509.8	513.0	516.2	519.4	522.6	525.8	529.0	532.2	535.4	538.6	541.8	545.0	548.2	551.4	554.6	557.8	561.0	564.2	567.4	570.6	573.8	577.0	580.2	583.4	586.6	589.8	593.0	596.2	599.4	602.6	605.8	609.0	612.2	615.4	618.6	621.8	625.0	628.2	631.4	634.6	637.8	641.0	644.2	647.4	650.6	653.8	657.0	660.2	663.4	666.6	669.8	673.0	676.2	679.4	682.6	685.8	689.0	692.2	695.4	698.6	701.8	705.0	708.2	711.4	714.6	717.8	721.0	724.2	727.4	730.6	733.8	737.0	740.2	743.4	746.6	749.8	753.0	756.2	759.4	762.6	765.8	769.0	772.2	775.4	778.6	781.8	785.0	788.2	791.4	794.6	797.8	801.0	804.2	807.4	810.6	813.8	817.0	820.2	823.4	826.6	829.8	833.0	836.2	839.4	842.6	845.8	849.0	852.2	855.4	858.6	861.8	865.0	868.2	871.4	874.6	877.8	881.0	884.2	887.4	890.6	893.8	897.0	900.2	903.4	906.6	909.8	913.0	916.2	919.4	922.6	925.8	929.0	932.2	935.4	938.6	941.8	945.0	948.2	951.4	954.6	957.8	961.0	964.2	967.4	970.6	973.8	977.0	980.2	983.4	986.6	989.8	993.0	996.2	999.4	1002.6	1005.8	1009.0	1012.2	1015.4	1018.6	1021.8	1025.0	1028.2	1031.4	1034.6	1037.8	1041.0	1044.2	1047.4	1050.6	1053.8	1057.0	1060.2	1063.4	1066.6	1069.8	1073.0	1076.2	1079.4	1082.6	1085.8	1089.0	1092.2	1095.4	1098.6	1091.8	1095.0	1098.2	1091.4	1094.6	1097.8	1091.0	1094.2	1097.4	1090.6	1093.8	1097.0	1090.2	1093.4	1096.6	1099.8	1093.0	1096.2	1099.4	1092.6	1095.8	1099.0	1092.2	1095.4	1098.6	1091.8	1095.0	1098.2	1091.4	1094.6	1097.8	1091.0	1094.2	1097.4	1090.6	1093.8	1097.0	1090.2	1093.4	1096.6	1099.8	1093.0	1096.2	1099.4	1092.6	1095.8	1099.0	1092.2	1095.4	1098.6	1091.8	1095.0	1098.2	1091.4	1094.6	1097.8	1091.0	1094.2	1097.4	1090.6	1093.8	1097.0	1090.2	1093.4	1096.6	1099.8	1093.0	1096.2	1099.4	1092.6	1095.8	1099.0	1092.2	1095.4	1098.6	1091.8	1095.0	1098.2	1091.4	1094.6	1097.8	1091.0	1094.2	1097.4	1090.6	1093.8	1097.0	1090.2	1093.4	1096.6	1099.8	1093.0	1096.2	1099.4	1092.6	1095.8	1099.0	1092.2	1095.4	1098.6	1091.8	1095.0	1098.2	1091.4	1094.6	1097.8	1091.0	1094.2	1097.4	1090.6	1093.8	1097.0	1090.2	1093.4	1096.6	1099.8	1093.0	1096.2	1099.4	1092.6	1095.8	1099.0	1092.2	1095.4	1098.6	1091.8	1095.0	1098.2	1091.4	1094.6	1097.8	1091.0	1094.2	1097.4	1090.6	1093.8	1097.0	1090.2	1093.4	1096.6	1099.8	1093.0	1096.2	1099.4	1092.6	1095.8	1099.0	1092.2	1095.4	1098.6	1091.8	1095.0	1098.2	1091.4	1094.6	1097.8	1091.0	1094.2	1097.4	1090.6	1093.8	1097.0	1090.2	1093.4	1096.6	1099.8	1093.0	1096.2	1099.4	1092.6	1095.8	1099.0	1092.2	1095.4	1098.6	1091.8	1095.0	1098.2	1091.4	1094.6	1097.8	1091.0	1094.2	1097.4	1090.6	1093.8	1097.0	1090.2	1093.4	1096.6	1099.8	1093.0	1096.2	1099.4	1092.6	1095.8	1099.0	1092.2	1095.4	1098.6	1091.8	1095.0	1098.2	1091.4	1094.6	1097.8	1091.0	1094.2	1097.4	1090.6	1093.8	1097.0	1090.2	1093.4	1096.6	1099.8	1093.0	1096.2	1099.4	1092.6	1095.8	1099.0	1092.2	1095.4	1098.6	1091.8	1095.0	1098.2	1091.4	1094.6	1097.8	1091.0	1094.2	1097.4	1090.6	1093.8	1097.0	1090.2	1093.4	1096.6	1099.8	1093.0	1096.2	1099.4	1092.6	1095.8	1099.0	1092.2	1095.4	1098.6	1091.8	1095.0	1098.2	1091.4	1094.6	1097.8	1091.0	1094.2	1097.4	1090.6	1093.8	1097.0	1090.2	1093.4	1096.6	1099.8	1093.0	1096.2	1099.4	1092.6	1095.8	1099.0	1092.2	1095.4	1098.6	1091.8	1095.0	1098.2	1091.4	1094.6	1097.8	1091.0	1094.2	1097.4	1090.6	1093.8	1097.0	1090.2	1093.4	1096.6	1099.8	1093.0	1096.2	1099.4	1092.6	1095.8	1099.0	1092.2	1095.4	1098.6	1091.8	1095.0	1098.2	1091.4	1094.6	1097.8	1091.0	1094.2	1097.4	1090.6	1093.8	1097.0</td

## APPENDIX E—TABLE FOR FIXING CATEGORY MARKUPS UNDER SECTION 39

Category	Percentage	Category	Percentage
you are pricing	markup on cost	you are pricing	markup on cost
101	67.7	503	62.2
102	64.1	504	63.0
103	61.6	504A	59.2
104	65.3	505	58.0
105	57.9	506	66.3
105A	30.2	506A	65.9
105B	45.0	506B	65.9
105C	45.0	507	69.4
105D	39.0	508	65.9
106	63.0	509	60.2
107	60.1	510	61.0
107A	66.1	601	66.7
107B	66.1	602	61.9
108	64.9	603	62.6
108A	63.8	603A	55.3
109	63.8	605	66.4
109A	64.9	605A	64.9
110	59.5	606	69.6
110A	60.2	607	58.9
111	46.1	701	98.1
111A	51.4	703	91.9
112	60.2	704	95.9
112A	59.9	705	98.5
113	60.2	706	108.0
114	66.0	706A	90.5
115	62.1	708	95.9
116	62.4	709	89.6
117	61.3	710	99.4
118	62.6	712	93.9
119	65.9	713	89.3
120	72.1	714	98.2
121	69.2	715	87.3
122	66.5	716	79.7
123	66.6	717	79.7
123A*	-----	717A	88.0
124	66.9	718	77.8
201	72.3	719	82.3
202	67.0	720	94.5
203	72.2	751	84.1
204	72.5	752	89.9
205	65.1	801	84.7
206	64.9	802	83.9
207	63.3	803	83.9
208	62.9	803A	75.1
209	66.8	803B	82.5
210	68.9	803C	68.0
211	65.6	803D	78.0
212	70.0	804	86.8
213	62.9	805	74.2
214	82.6	851	84.6
215	67.5	852	84.6
216	67.1	852A	75.1
217	67.8	853	75.1
218	66.2	854	74.4
301	67.8	860	58
302	62.9	861	81
303	61.1	871	54
304	65.7	872	56
305	61.9	873	56
306	62.0	874	58
306A	47.8	875	51
307	62.8	876	58
308	69.1	877	75
309	62.3	878	58
310	67.9	880	39
351	63.7	881	39
352	63.5	882	39
353	74.2	883	42
401	63.7	884	58
402	58.2	890	25
402A	61.2	891	49
402B	58.2	892	51
403	58.2	893	81
405	63.4	894	66
406	62.2	895	81
407	62.2	901	72
408	60.2	902	75
409	60.7	903	72
410	54.0	904	66
501	47.8	905	47
502	57.3	906	50
502A	58.4	907	88
502B	61.1	908	61
502C	60.2	915	22

\*Use mark-up for category 123 and add 8 percent to retail price thus obtained.

## APPENDIX E—TABLE FOR FIXING CATEGORY MARKUPS UNDER SECTION 39—Continued

Category	Percentage	Category	Percentage
you are pricing	markup on cost	you are pricing	markup on cost
916	22	951	81
917	66	970	75
918	81	971	75
919	63	972	85
920	66	973	78
921	61	974	81
922	49	975	81
923	49	976	92
924	61	977	72
940	63	978	81
941	75	979	81
942	63	980	81
943	72	981	72
944	78	982	72
945	92	983	72
946	78	984	58
950	58	985	58

## APPENDIX E—TABLE FOR FIXING CATEGORY MARKUPS UNDER SECTION 39—Continued

Category	Percentage	Category	Percentage
you are pricing	markup on cost	you are pricing	markup on cost
1001	72.1	1016	68.6
1002	72.8	1017	71.0
1003	68.3	1018	68.0
1004	68.1	1019	65.7
1005	68.6	1020	69.7
1006	73.3	1021	68.0
1007	72.8	1022	62.9
1008	68.0	1023	71.0
1009	68.5	1024	71.0
1010	73.9	1025	68.0
1011	73.1	1026	68.0
1011A	60.4	1027	71.0
1012	68.0	1028	65.7
1013	60.4	1029	71.0
1014	70.0	1030	65.2
1015	68.0		

[Appendix E amended by Amdts. 2 and 3]

## APPENDIX F

## GROUP I

Multipliers for Group Averages over 101 for categories in Groups I and III; for Group Average over 127 for categories in Group II; for Group Average over 109 for Categories in Group IV of Appendix D]

Category	you are pricing	Multipler	Category	you are pricing	Multiplier	Category	you are pricing	Multiplier	Category	you are pricing	Multiplier
101	1.078	111A	.809	.981	.981	309	.981	.503	.979		
102	1.021	112	.928	.910	.910	1.069	.504	.991			
103	.976	112A	.943	.209	.209	1.045	.351	1.003	.504A	.932	
104	1.041	113	.945	.210	.210	1.084	.352	1.000	.505	.960	
105	.896	114	1.066	.211	.211	1.030	.401	1.005	.506	1.042	
105A	.475	115	.975	.212	.212	1.110	.402	.916	.506A	1.038	
105B	.708	116	.984	.213	.213	1.006	.402A	.964	.506B	1.038	
105C	.614	118	.987	.216	.216	1.054	.403	.916	.507	1.086	
106	.993	119	1.050	.217	.217	1.069	.405	.919	.508	1.038	
107	.943	120	1.164	.218	.218	1.045	.406	.999	.509	.948	
107A	1.041	121	1.111	.301	.301	1.075	.407	.984	.510	.954	
107B	1.041	122	1.065	.302	.302	.962	.408	.979	.601	1.058	
108	1.021	123	1.035	.303	.303	.954	.409	.948	.602	.967	
108A	1.006	124	1.071	.304	.304	1.020	.410	.855	.603A	.902	
109	1.006	201	1.122	.305	.305	.967	.501	.752	.605	1.039	
109A	1.021	202	1.062	.306	.306	.969	.502	.902	.605A	1.023	
110	.928	203	1.142	.306A	.306A	.752	.502A	.917	.606	1.096	
110A	.948	205	1.026	.307	.307	.981	.502B	.960	.607	.928	
111	.708	206	1.021	.308	.308	1.090	.502C	.948			

[Group I amended by Amdts. 1 and 3]

## GROUP II

Category	you are pricing	Multipler	Category	you are pricing	Multiplier	Category	you are pricing	Multiplier	Category	you are pricing	Multiplier
701	1.072	706A	.990	.713	.976	717A	.963	.752	.982		
703	1.005	708	1.048	714	1.074	718	.850				
704	1.048	709	.979	715	.954	719	.899				
705	1.077	710	1.086	716	.871	720	1.033				
706	1.181	712	1.026	717	.871	751	.919				

## GROUP III

Category	you are pricing	Multipler	Category	you are pricing	Multiplier	Category	you are pricing	Multiplier	Category	you are pricing	Multiplier
801	1.057	803A	.937	804	1.084	852	1.056	854	1.056		
802	1.048	803B	1.030	805	.926	852A	.937				
803	1.048	803C	.850	851	1.056	853	.937				

## GROUP IV

[F. R. Doc. 51-6583; Filed, June 4, 1951; 11:52 a. m.]

## [Ceiling Price Regulation 7, Amendment 6]

## CPR 7—RETAIL CEILING PRICES FOR CERTAIN CONSUMER GOODS

## CHANGES AFFECTING NEW SELLERS, JEWELRY RETAILERS, AND MINOR CORRECTIONS

Pursuant to the Defense Production Act of 1950 (Pub. Law 774, 81st Cong.), Executive Order 10161 (15 F. R. 6105),

and Economic Stabilization General Order No. 2 (16 F. R. 738), this Amendment 6 to Ceiling Price Regulation 7 (16 F. R. 1872) is hereby issued.

## STATEMENT OF CONSIDERATIONS

Retailers handling sterling and plated flatware, hollowware, silverware accessory items, and jewelry, watches and

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clocks, customarily determine their markups without deducting their cash discounts from their invoices. Retailers handling these categories also customarily enter a large percentage of their invoices in a register which provides a record of their cost information and a ready reference to their invoices. The Office of Price Stabilization wishes to preserve customary business practices to the greatest extent possible and to impose a minimum of new record-keeping requirements on the retailer in connection with ceiling price regulations.

Accordingly, under this amendment retailers handling Categories 940 through 943 and 970 through 985 are permitted to prepare their charts and to price without deducting cash discounts from their invoice costs and to use their purchase registers instead of the actual invoices.

Under the regulation a new seller is required to price pursuant to Appendix "E" markups or to apply for markups in line with his experience not to exceed the markups at which three-quarters of all sellers operate. The planning of a new retail store frequently starts months before its opening. This is, of course, true where a building is constructed for the purpose. There are a large number of cases where merchants have made commitments for the purchase of their merchandise and for the purchase of their fixtures and equipment and for the alteration of their building or leased premises a number of months before the issuance of Ceiling Price Regulation 7. Likewise, these retailers may have planned the selling prices of their merchandise to conform with the prices in other units of their organization for a period of months prior to the issuance of Ceiling Price Regulation 7. For retailers who had partially executed plans for opening stores, as set forth in the amendment prior to March 31, 1951, this amendment removes the limitation that markups not exceed those at which three-fourths of all sellers under the regulation operate.

The amendment also deletes from classification 4 of Category 908 the specifically enumerated items "cleansers" and "powders." This is being done in view of the fact that another method of price control for the bulk of these household cleansers and powders is contemplated by the Office of Price Stabilization. Meanwhile, sellers who do not elect to continue pricing these articles under their charts will price under the General Ceiling Price Regulation.

This amendment also supplies a method for pricing articles acquired prior to February 27, 1951, for which a seller has no invoice or other cost record and makes several minor corrections in the regulation.

## AMENDATORY PROVISIONS

Ceiling Price Regulation 7 is amended in the following respects:

1. In footnote 2, section 11, substitute for the word "separate" in the second sentence the word "single."
2. In section 13 (d) in the column labeled "over," insert between the figures 100,000 and 500,000 the figure "300,-

000," and in the column "up to and including" insert between the figure 300,-000 and the figure 1,000,000 the figure "500,000."

3. In section 16 (a) insert after the parenthesis in the first sentence the footnote designation "3a" and insert footnote 3a as follows:

"An alternative method for preparing charts for and pricing Categories 940 through 943 and 970 through 985 which permits discounts for prompt payment (cash discounts) not to be deducted from net invoice cost and which permits the use of a cost record other than an invoice in certain instances is provided in Supplementary Regulation 2 to this regulation.

4. In section 31, after the phrase "all discounts you could have taken," insert the footnote designation "9a" and insert footnote 9a to read as follows:

"An alternative method for pricing Categories 940 to 943 and 970 to 985 which permits discounts for prompt payment (cash discounts) not to be deducted is provided in Supplementary Regulation 2 to this regulation.

5. A new section 38a is added to read as follows:

*SEC. 38a. Rule 8: Pricing method for articles acquired before February 27, 1951, and for which seller has no cost record.* If the article you are pricing is one which you acquired prior to February 27, 1951, and for which you have no cost record, your ceiling price for that article is the ceiling price as determined under the General Ceiling Price Regulation. This pricing method may not be used for any article acquired after February 27, 1951.

6. In section 39, in the first sentence, change the number 38 to 38a.

7. Section 39 (b) (3) (i) is amended by inserting within the parentheses after the word "high" the phrase "or, except as permitted in subdivision (ii)."

8. A new subdivision (ii) is added to section 39 (b) (3) to read as follows:

(i) The limitation in subdivision (i) of this subparagraph on authorization of markups which exceed the highest markup at or below which those sellers comprising three-fourths of the sellers covered by the regulation operate shall not apply to any seller who, with his application under subparagraph (2) of this paragraph, files a certification that prior to March 31, 1951, he had taken one of the following steps with respect to the store as to which the certification is made:

- (a) That he had actually commenced construction of the store building; or
- (b) That he had made an irrevocable written commitment for alterations or improvements of the store building or for the installation of a substantial amount of fixtures and equipment; or
- (c) That he had made an irrevocable written commitment for the purchase of not less than 25 percent of his planned opening inventory.

9. In section 50, delete the last sentence reading as follows: "You must state the tax separately."

10. In Appendix B in Category 908 delete from Classification 4 the items "cleansers" and "powders."

11. In Appendix C insert between the line for Category 403 and Category 406 the following:

Category you are pricing	Comparable categories		
	First	Second	Third
405	406	407	408

NOTE: The record-keeping and reporting requirements of this regulation have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

(Sec. 704, Pub. Law 774, 81st Cong.)

*Effective date.* This regulation shall become effective on the 1st day of June 1951.

HAROLD LEVENTHAL,  
Acting Director of  
Price Stabilization.

JUNE 1, 1951.

[F. R. Doc. 51-6538; Filed, June 1, 1951;  
5:01 p. m.]

[Ceiling Price Regulation 7, Amendment 1 to Supplementary Regulation 2]

## CPR 7—RETAIL CEILING PRICES FOR CONSUMER GOODS

## SR 2—ALTERNATIVE METHODS FOR PREPARING LIST DATE PRICING CHARTS AND PRICING

## SILVER, JEWELRY, WATCHES, AND CLOCKS

Pursuant to the Defense Production Act of 1950 (Pub. Law 774, 81st Cong.), Executive Order 10161 (15 F. R. 6105), and Economic Stabilization General Order No. 2 (16 F. R. 738), this Amendment 1 to Supplementary Regulation 2 of Ceiling Price Regulation 7 (16 F. R. 1897) is hereby issued.

## STATEMENT OF CONSIDERATIONS

This amendment reflects action taken in an amendment to Ceiling Price Regulation 7 issued simultaneously herewith. The grounds for the changes in preparing charts and pricing jewelry, watches, clocks, and silverware permitted by this amendment are stated in the concurrently issued amendment to Ceiling Price Regulation 7.

## AMENDATORY PROVISION

Supplementary Regulation 2 is amended by adding thereto a new section 6 to read as follows:

*SEC. 6. Modified method for preparing charts and pricing in Categories 940 through 943 and 970 through 985. If you handle Categories 940 through 943 and 970 through 985, you may modify the requirements of Ceiling Price Regulation 7 as permitted in this section with respect to the use of invoices and the determination of "net cost." You may determine net cost without deduction of discounts for prompt payment (cash discounts) provided you determine net cost in the same way for each item in the category and provided you note on your chart beside the category number in Column 1 the phrase "no cash discounts." If you compute net cost in this way in preparing your chart for these cate-*

gories, you must also compute net cost for articles in these categories the same way in pricing under Ceiling Price Regulation 7.

You may also, wherever in Ceiling Price Regulation 7 use of an invoice is required, substitute for the invoice any registry record maintained by you in the regular course of business, provided the registry record contains the information which would otherwise be obtained from an invoice and also contains a reference to the invoice which makes it possible to refer to the invoice itself. If you use a registry entry in lieu of an invoice, you must list in Column 5, in lieu of the invoice, the word "registry" and an identification, either by number or date, of the entry in your registry record. You must, of course, preserve your invoices as required in section 52 of the regulation.

**NOTE:** The record-keeping and reporting requirements of this regulation have been approved by the Bureau of the Budget, in accordance with the Federal Reports Act of 1942.

(Sec. 704, Pub. Law 774, 81st Cong.)

**Effective date.** This amendment shall become effective on the 1st day of June 1951.

HAROLD LEVENTHAL,  
Acting Director of  
Price Stabilization.

JUNE 1, 1951.

[F. R. Doc. 51-6539; Filed, June 1, 1951,  
5:01 p. m.]

[Ceiling Price Regulation 11, Amdt. 2]

#### CPR 11—RESTAURANTS

##### BASE PERIOD

Pursuant to the Defense Production Act of 1950 (Pub. Law 774, 81st Cong.), Executive Order 10161 (15 F. R. 6105), and Economic Stabilization Agency General Order No. 2 (16 F. R. 738), this Amendment 2 to CPR 11 is hereby issued.

##### STATEMENT OF CONSIDERATIONS

This amendment to Ceiling Price Regulation 11 is issued for the purpose of clarifying the base period provision of the regulation for those eating and drinking establishments which customarily have kept their accounting records on a thirteen period year of four weeks each instead of on a twelve-month year.

This amendment is designed to permit such operators to continue their established accounting practices and still come within the meaning of the regulation. The amendment provides that these operators may use as their base period a thirteen period year equivalent to the fifty-two week year of the calendar year 1949 or the fiscal year ending June 30, 1950. For the purpose of compliance a current "food cost per dollar of sales" ratio for any four-month period must be based on a period of sixteen weeks rather than on a full four-month period.

In the formulation of this amendment, special circumstances have rendered impractical consultation with of-

ficial advisory committees, including trade association representatives; however, the provisions of this amendment incorporate the recommendations of persons representing substantial segments of the industry. In the judgment of the Director of Price Stabilization, the provisions of this amendment are generally fair and equitable and are necessary to effectuate the purposes of Title VI of the Defense Production Act of 1950.

So far as practicable the Director of Price Stabilization gave due consideration to the national effort to achieve maximum production in furtherance of the objective of the Defense Production Act of 1950; to prices prevailing during the period from May 24, 1950 to June 24, 1950, inclusive, and to relevant factors of general applicability.

##### AMENDATORY PROVISIONS

Ceiling Price Regulation 11, as amended, is further amended in the following respects:

1. Paragraph (a) of section 3 is amended by deleting the second sentence thereof and substituting therefor a new sentence to read as follows: You must fix your prices so as to maintain during each four month period (or during each sixteen week period if it was your established accounting practice during your base period to keep your records on the basis of a thirteen period year rather than a twelve month year), beginning April 1, 1951, no lower "food cost per dollar of sales" than you had in your base period.

2. Paragraph (c) of section 3 is amended by deleting the present paragraph (c) and substituting therefor a new paragraph to read as follows:

(c) *Duty to lower prices if in violation.* If your "food cost per dollar of sales" is too low at the end of any one four month period (or any one sixteen week period), you are in violation of this regulation and subject to the penalties prescribed in the Defense Production Act of 1950. Moreover, until you are in compliance you shall not charge a higher price for any food or beverage item than the price charged for that item during the period when the violation occurred. In order to be in compliance, you must adjust your prices during the next four month period (or the next sixteen week period) so that the "food cost per dollar of sales" computed for that four month period (or the next sixteen week period) and for the eight month period (or for the thirty-two week period) is in balance. If you are still out of balance, you must continue to adjust your prices during each succeeding four month period (or each succeeding sixteen week period) until you are in compliance for the full period.

3. Paragraph (d) of section 3 is amended by deleting the present paragraph (d) and substituting therefor a new paragraph (d) as follows:

(d) *Seasonal operators.* If your "food cost per dollar of sales" varies seasonally, you may use a monthly basis for determining your "food cost per dollar

of sales" using for each current month the corresponding month during the twelve month period selected by you as your base period. If it has been your established accounting practice during your base period to keep your records on the basis of a thirteen period year rather than a twelve month year you may use a four week month as the basis for determining your "food cost per dollar of sales" using for each current four week month the corresponding four week month during the thirteen period year selected by you as your base period. You must, however, still be in compliance at the end of each four month period (or each sixteen week period) commencing April 1, 1951.

4. Paragraph (f) of section 3, as amended, is further amended by deleting the present paragraph (f) and substituting therefor a new paragraph (f) to read as follows:

(f) *Base-period.* Your base period is the calendar year 1949 or the twelve month period ending June 30, 1950. If it was your established accounting practice during your base period to keep your records on the basis of a thirteen period year rather than a twelve month year, you may use as your base period a thirteen period year equivalent to the fifty-two week year of the calendar year 1949 or the fiscal year ending June 30, 1950. Once you have chosen your base period, you may not change it.

5. Subparagraph 2 of paragraph (a) of section 4, as amended, is further amended to read as follows:

(2) A statement whether you elect the entire calendar year 1949 or the entire twelve month period July 1, 1949, to June 30, 1950, as your base period, and whether you want to compute your ratio on a monthly basis. Once you have chosen your base period and whether to compute your ratio on a monthly or annual basis, you may not change your base period option. If you were not in operation for the entire twelve month period ending June 30, 1950, you shall use as your base period that portion of the period ending June 30, 1950, during which you were in operation and compute your ratio as if on an annual basis. In the event the portion of time you were in operation during the twelve month period ending June 30, 1950, is less than a full four month period you may, at your option, instead of using that portion of time you were in operation prior to July 1, 1950, use as your base period the first full four month period that you were in operation and compute your ratio as if on an annual basis. If it was your established accounting practice during your base period to keep your records on the basis of a thirteen period year rather than a twelve month year, you may continue to do so. In such case your base period year shall consist of thirteen periods of four weeks each instead of twelve full months.

(Sec. 704, Pub. Law 774, 81st Cong.)

**Effective date.** This amendment is effective June 9, 1951.

**Note:** The record-keeping and reporting requirements of this regulation have been

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approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

EDWARD F. PHELPS, Jr.,  
Acting Director of Price Stabilization.

JUNE 4, 1951.

[F. R. Doc. 51-6571; Filed, June 4, 1951;  
10:18 a. m.]

[General Ceiling Price Regulation, Supplementary Regulation 32]

**GCPR, SR 32—CEILING PRICES OF GREEN SHEEP INTESTINES**

Pursuant to the Defense Production Act of 1950 (Pub. Law 774, 81st Cong.), Executive Order 10161 (15 F. R. 6105), and Economic Stabilization Agency General Order No. 2 (16 F. R. 738), this Supplementary Regulation 32 to the General Ceiling Price Regulation is issued.

**STATEMENT OF CONSIDERATIONS**

Green sheep intestines are used among other things in the manufacture of surgical sutures. This supplementary regulation establishes ceiling prices for sales of these green sheep intestines to manufacturers of surgical sutures and to string makers who supply such manufacturers.

A shortage of green sheep intestines has resulted from the decline of sheep kill in the past year. As a result the manufacturers of sutures and their suppliers who have customarily used only the first nine yards of sheep intestines now need an additional 4½ yards. They are unable to obtain the additional 4½ yards because slaughterers have ceiling prices for sales of that additional 4½ yards to sausage makers higher than those applicable to sales to suture manufacturers or their suppliers. In order to assure an adequate supply of green sheep intestines for surgical sutures, ceiling prices are established in this regulation for sales of the additional 4½ yards of green sheep intestines to manufacturers of surgical sutures or to string makers who supply such manufacturers, comparable to the ceiling prices prevailing under the General Ceiling Price Regulation for sales of the same product to sausage makers.

Ceiling prices for sales of the additional 4½ yards of green sheep intestines to persons other than manufacturers of surgical sutures or to their suppliers continue to be subject to the General Ceiling Price Regulation except that in no event may they exceed those fixed in this supplementary regulation for sales to such manufacturers or their suppliers. This will eliminate any possibility that buyers who use green sheep intestines for other purposes will be able to outbid suture manufacturers or their suppliers.

In formulating this supplementary regulation, the Director of Price Stabilization has consulted with industry representatives and has given full consideration to their recommendations. In his judgment the provisions of this supplementary regulation are generally fair and equitable and are necessary to effectuate the purposes of Title IV of the Defense Production Act of 1950.

So far as practicable, the Director of Price Stabilization gave due consideration to the national effort to achieve maximum production in furtherance of the objectives of the Defense Production Act of 1950; to prices prevailing during the period from May 24, 1950, to June 24, 1950, inclusive; and to relevant factors of general applicability.

**REGULATORY PROVISIONS**

**Sec.**

1. What this supplementary regulation does.
2. Ceiling prices.

**AUTHORITY:** Sections 1 to 2 issued under sec. 704, Pub. Law 774, 81st Cong. Interpret or apply Title IV, Pub. Law 774, 81st Cong., E. O. 10161, Sept. 9, 1950, 15 F. R. 6105, 3 CFR, 1950 Supp.

**SECTION 1. What this supplementary regulation does.** This supplementary regulation establishes ceiling prices for sales of the first 13½ yards of green sheep intestines to manufacturers of surgical sutures or to string makers who sell processed sheep intestines to such manufacturers.

**SEC. 2. Ceiling prices.** (a) Your ceiling prices for the sale to manufacturers of surgical sutures or to string makers who sell processed sheep intestines to such manufacturers, of green sheep intestines packed and delivered to such buyers shall be 17 cents for the first nine yards (or a proportionate amount for any fraction thereof) and 4 cents per yard for each additional yard up to 13½ yards.

(b) Your ceiling prices for the sale of green sheep intestines to buyers other than manufacturers of surgical sutures or string makers who sell processed sheep intestines to such manufacturers, shall be your ceiling prices as established by the General Ceiling Price Regulation, except that in no event shall they exceed those established in paragraph (a) of this section.

**Effective date.** This supplementary regulation shall become effective June 4, 1951.

EDWARD F. PHELPS, Jr.,  
Acting Director of Price Stabilization.

JUNE 4, 1951.

[F. R. Doc. 51-6570; Filed, June 4, 1951;  
10:18 a. m.]

[General Ceiling Price Regulation, Supplementary Regulation 33]

**GCPR, SR 33—ADJUSTMENTS IN CEILING PRICES FOR PRIMARY NICKEL PRODUCTS AND FOR ROLLING, MILL, FOUNDRY AND SIMILAR PRODUCTS CONTAINING MORE THAN 5 PERCENT NICKEL**

Pursuant to the Defense Product Act of 1950 (Pub. Law 774, 81st Cong.), Executive Order 10161 (15 F. R. 6105), and Economic Stabilization Agency General Order No. 2 (16 F. R. 738) this Supplementary Regulation 33 to the General Ceiling Price Regulation is hereby issued.

**STATEMENT OF CONSIDERATIONS**

This supplementary regulation increases the ceiling prices established by the General Ceiling Price Regulation for primary nickel products and for rolling,

mill, foundry and similar products containing more than 5 percent nickel.

Nickel is a basic industrial material which is essential to our defense program as well as to the civilian economy. Almost all of the nickel used in the United States is produced from Canadian ores and is imported in such primary forms as electrolytic nickel, nickel oxides, and metallic nickel.

The Government of Canada has approved an increase of 6 cents per pound in the price of nickel, effective June 1, 1951. This represents a substantial increase in costs to sellers of primary nickel products in the United States (the prevailing ceiling base price for electrolytic nickel before the issuance of this regulation was 50½ cents per pound, duty included) and it is clear that unless a corresponding adjustment is made in their ceiling prices the maximum flow of vitally needed supplies will be jeopardized. This regulation, therefore, increases by 6 cents per pound of nickel content the ceiling prices for primary nickel products established by the General Ceiling Price Regulation.

This regulation also grants an increase of 6 cents per pound of nickel content in excess of 5 percent in the ceiling prices for rolling mill, foundry, and similar products containing more than 5 percent nickel. This action is considered necessary to avoid any interruption in the output of such products which might result if producers were required to absorb all of the increase in costs resulting from the higher ceiling prices which have been established for primary nickel products. Since the amount of nickel contained in rolling mill, foundry, and similar products varies widely, it is not possible at this time to measure precisely what effect the 5 percent cutoff will have upon producers of these commodities, but it appears that the absorption which will be accomplished will not result in undue hardship. In taking this action, consideration was given to the fact that producers of these products use some nickel scrap and that no change is being made in the ceiling prices for such material.

While a portion of the output of rolling mill, foundry, and similar products is sold by producers directly to consumers, considerable quantities of some products are handled by warehouses which supply small manufacturers and fabricators. These resellers generally have relatively small margins and if they were not permitted to pass on the cost increases which they will sustain there is danger that the amount of material moving through these channels would be reduced and that small consumers would have difficulty in obtaining needed supplies. It has been determined, therefore, to permit resellers to increase their prices by the exact amount of the increases in producers' ceiling prices.

In the judgment of the Director of Price Stabilization, the provisions of this supplementary regulation are generally fair and equitable and are necessary to effectuate the purposes of Title IV of the Defense Production Act of 1950.

In formulating this supplementary regulation, the Director has given due consideration to the national effort to

achieve maximum production in furtherance of the objectives of the Defense Production Act of 1950 and to relevant factors of general applicability.

## REGULATORY PROVISIONS

Sec.

1. What this regulation does.
2. Ceiling price adjustments.
3. Definitions.

**AUTHORITY:** Sections 1 to 3 issued under sec. 704, Pub. Law 704, 81st Cong. Interpret or apply Title IV, Pub. Law 774, 81st Cong., E. O. 10161, Sept. 9, 1950, 15 F. R. 6105, 3 CFR, 1950 Supp.

**SECTION 1. What this regulation does.** This supplementary regulation increases the ceiling prices established by the General Ceiling Price Regulation for primary nickel products and for rolling mill, foundry, and similar products containing more than 5 percent nickel.

**SEC. 2. Ceiling price adjustments—**(a) **Primary nickel products.** If you are a seller of primary nickel products, your ceiling price for any such product is the ceiling price determined in accordance with the General Ceiling Price Regulation plus 6 cents per pound of nickel content.

(b) **Rolling mill, foundry, and similar products.** If you are a seller of rolling mill, foundry, and similar products which contain more than 5 percent nickel, your ceiling price for any such product is the ceiling price determined in accordance with the General Ceiling Price Regulation plus 6 cents per pound of nickel content in excess of 5 percent.

**SEC. 3. Definitions.** When used in this supplementary regulation, the term:

(a) "Primary nickel products" includes electrolytic nickel; nickel and "F" nickel ingots and shot; nickel powder and pellets; metallic nickel; nickel bars and anodes for electroplating; nickel oxide sinter and other nickel oxides; copper refinery nickel residues and nickel chemicals with a nickel content of 14 percent or more by weight; and nickel and nickel alloys in any other form (other than scrap) customarily used for melting.

(b) "Rolling mill, foundry, and similar products" includes any rolled, drawn, extruded, or cast metallic nickel or nickel alloy products (other than primary nickel products) in the usual commercial forms, including, but not limited to, sheet, strip, bar, rod, shapes, wire, tubing, and castings.

(c) "Castings" means any metal products which are cast and on which no further operations are performed except cleaning, snagging, rough grinding, inspecting, testing, rough drilling, or machining only for the purpose of inspection or cleaning.

**Effective date.** This regulation becomes effective June 2, 1951.

HAROLD LEVENTHAL,  
Acting Director of  
Price Stabilization.

JUNE 1, 1951.

[F. R. Doc. 51-6533; Filed, June 1, 1951;  
5:14 p. m.]

## [Ceiling Price Regulation 44]

## CPR-44—CEILING PRICES FOR CONTRACTORS' SERVICES IN THE NEEDLEWORK INDUSTRY IN PUERTO RICO

Pursuant to the Defense Production Act of 1950 (Public Law 774, 81st Congress), Executive Order 10161 (15 F. R. 6105), and Economic Stabilization Agency General Order No. 2 (16 F. R. 738) this Ceiling Price Regulation 44 is hereby issued.

## STATEMENT OF CONSIDERATIONS

This regulation establishes ceiling prices for contractors' services rendered in connection with needlework in Puerto Rico. The needlework industry in Puerto Rico ranks first among the service trades as a source of employment in the territory. In 1950 it provided employment to a total of 60,000 workers, or approximately 9 percent of all persons gainfully employed on the Island. The industry ranks second only to sugar as a source of income for Puerto Rico.

Predominantly, the needlework industry consists of performing sewing and stitching operations in Puerto Rico on materials designed, cut and patterned in the States. The work is performed under the direction of and paid for by "contractors" in the territory. The principal furnishes and retains ownership in the material which is processed by the contractor. For undertaking and having performed these needlework operations for the principal, the contractor charges a fee which is comprised of (a) the wages paid by the contractor to the needleworkers for the services performed plus (b) a charge based upon the amount paid out by him in wages. Materials furnished by the contractors, to the extent of 29 percent of their charge, are included by the contractor within his charge. As a general rule these materials do not exceed 5 percent of the total value of the price charged for the service. Where the contractor supplies material with a value equal to or exceeding 30 percent of the price of the charge for the service, he is regarded as a manufacturer and therefore excluded from this regulation.

Consultation with representatives of the industry has disclosed that the service charges during the base period for the different lines of needlework were about the same as charges made during the entire twelve month period from June 25, 1949 to June 24, 1950 inclusive. Competition with other contract areas has forced contractors to absorb minor adjustments in wages and in the cost of certain materials supplied by them.

Minimum wages for the needleworkers in Puerto Rico are established by the Wage and Hour Division of the Department of Labor. The minimum wage presently in effect was established in 1945. The needlework industry was then, as now, operating under price regulations, and the Office of Price Administration at that time authorized needlework contractors to add to their fee the increase in wages ordered by the Department of Labor. The Wage and Hour Division of the Department of Labor has announced an increase in the minimum

wages for the needleworkers in Puerto Rico to become effective June 4, 1951. The new minimum wage represents an increase in wage rates in all lines of the needlework industry from existing minima ranging from 16½ percent to 50 percent. It is estimated that under these new wage rates the cost of labor alone will exceed contractors' present ceiling prices. Consequently, it is clear that such wage increases cannot be absorbed but must be reflected in higher ceiling prices.

Under this regulation, therefore, the contractor will determine his ceiling price by adding to the highest amount he charged for the same service performed on the same or a similar article of needlework between May 24, 1950 and June 24, 1950, the actual dollar and cents increase in the cost of the labor required to perform that service resulting from the higher minimum wages for needleworkers ordered by the Wage and Hour Division of the Department of Labor. If the contractor did not sell such a service between May 24, 1950 and June 24, 1950 he may compute his cost increase on his most recent sale of such a service prior to May 24, 1950 but within the twelve month period from June 25, 1949 to June 24, 1950 inclusive. This regulation will prevent the disruption of the needlework industry in Puerto Rico, and will permit the continued operation of the contract method of doing business by authorizing the contractors to pass onto the principals only the increases in labor costs directed by the Wage and Hour Division and actually paid by the contractor. No other increases in the contractor's costs are authorized to be passed on to the principal.

Recognition of the wage increase directed by the Wage and Hour Division of the Department of Labor is consistent with the Defense Production Act of 1950 and the regulations of the Wage Stabilization Board. General Regulation No. 3, adopted by the Wage Stabilization Board on January 31, 1951, provides:

Section 402, subdivision (d) (2) of the Defense Production Act of 1950 (Public Law 774, 81st Congress) provides that "No action shall be taken under authority of this title with respect to wages, salaries, or other compensation which is inconsistent with the provisions of the Fair Labor Standards Act of 1938, as amended, or the Labor Management Relations Act, 1947, or any other law of the United States, or of any State, the District of Columbia, or any Territory or Possession of the United States." Since statutes and orders of the duly constituted authorities acting under any Federal or State law fixing minimum rates for certain types of workers are consistent with the purposes and intent of the Fair Labor Standards Act of 1938, as amended, the Wage Stabilization Board hereby authorizes increases in wages, salaries, and other compensation to bring such wages, salaries, and other compensation into compliance with the Fair Labor Standards Act of 1938, as amended, and such other statutes and orders establishing minimum rates of compensation.

Reporting requirements are designed to secure sufficient information to determine whether the service charged is computed in accordance with the regulation.

## RULES AND REGULATIONS

## FINDINGS OF THE DIRECTOR OF PRICE STABILIZATION

In formulating this regulation, the Director of Price Stabilization has consulted extensively with industry representatives and has given full consideration to their recommendations. In his judgment, the provisions of this regulation are generally fair and equitable and are necessary to effectuate the purposes of title IV of the Defense Production Act of 1950.

So far as practicable, the Director of Price Stabilization gave due consideration to the national effort to achieve maximum production in furtherance of the objective of the Defense Production Act of 1950; to prices prevailing during the period from May 24, 1950 to June 24, 1950, inclusive; and to relevant factors of general applicability.

## REGULATORY PROVISIONS

## Sec.

1. What this regulation does.
2. Applicability.
3. Definitions and explanations.
4. Ceiling prices for contractors.
5. Contractors who cannot price under section 4 of this regulation.
6. Modification of reported ceiling prices by the Director of Price Stabilization.
7. Records and reports.
8. Transfers of business or stock in trade.
9. Evasion.
10. Enforcement.
11. Prohibitions.

**AUTHORITY:** Sections 1 to 11 issued under sec. 704, Pub. Law 774, 81st Cong. Interpret or apply Title IV, Pub. Law 774, 81st Cong., E. O. 10161, Sept. 9, 1950, 15 F. R. 6105, 3 CFR 1950 Supp.

**SECTION 1. What this regulation does.** This regulation fixes ceiling prices for the services rendered by contractors in the needlework industry in Puerto Rico.

**SEC. 2. Applicability.** This regulation applies to contractors in the needlework industry in the Territory of Puerto Rico.

**SEC. 3. Definitions and explanations.** (a) When used in this regulation:

(1) "Articles of needlework" means any article processed by the needlework industry.

(2) "Contractor" includes any person who performs one or more processes in the production of an article of needlework, the principal materials of which are supplied by a principal, and who receives payment for the process or processes so performed and for additional materials furnished, if any, that are incidental to such operations, but does not include a person who furnishes materials the value of which constitutes 30 percent or more of the total price charged for his service.

(3) "Needlework industry" includes the processing from any material of all apparel and apparel furnishings and accessories made by the knitting, crocheting, cutting, sewing, embroidering, or other processes, and the processing of household art linens, needlepoint, embroideries and trimmings, and similar products.

(4) "Person" includes any individual, corporation, partnership, association, or any other organized group of persons, or the legal successor or representative of any of the foregoing.

(5) "Principal" includes any person who engages the services of a contractor, as defined in subparagraph (1) of this paragraph for the processing or production of an article of needlework for the purposes of resale. A principal may or may not perform processes on the article of needlework in addition to those performed by the contractor, and may himself be a contractor.

(6) "Records" means books of account, sales lists, sales slips, orders, vouchers, contracts, deeds, bills of lading, and other papers and documents.

(7) "You" refers to any contractor subject to the regulation.

## SEC. 4. Ceiling prices for contractors.

(a) Your ceiling price for a service rendered in connection with the processing of an article of needlework is the highest price you charged for that service rendered in connection with the processing of the same or a similar article of needlework between May 24, 1950 and June 24, 1950, inclusive, plus the amount of the increase in labor costs, or the amount of the increase in piece rates, for processing the same or a similar article of needlework, resulting from the increase in minimum wage rates established for the needlework industry of Puerto Rico by the Wage and Hour Division of the Department of Labor, issued May 4, 1951 (16 F. R. 4101) and effective June 4, 1951 (29 CFR Part 655).

(b) If you did not render the same service in connection with the processing of the same or a similar article of needlework between May 24, 1950 and June 24, 1950, inclusive, your ceiling price for a service rendered in connection with the processing of an article of needlework is the price at which you most recently rendered that service in connection with the processing of the same or a similar article of needlework prior to May 24, 1950 and subsequent to June 24, 1949, plus the amount of the increase in labor costs, or the amount of the increase in piece rates, for processing the same or a similar article of needlework, resulting from the increase in minimum wage rates established for the needlework industry of Puerto Rico by the Wage and Hour Division of the Department of Labor, issued May 4, 1951 (16 F. R. 4101) and effective June 4, 1951 (29 CFR Part 655).

**SEC. 5. Contractors who cannot price under section 4 of this regulation.** If you cannot determine your ceiling prices for a service under section 4 of this regulation, you may apply, in writing, to the Territorial Director of the Office of Price Stabilization in Puerto Rico for the establishment of a ceiling price. This application shall contain all pertinent information describing the service and the articles of needlework which are to be processed, your estimated direct labor cost, your proposed ceiling price, and the method used by you to determine it. You may sell the service at the price applied for until notified of its approval, disapproval, or revision by the Director of Price Stabilization or his delegates.

**SEC. 6. Modification of reported ceiling prices by the Director of Price Stabilization.** The Director of Price Stabilization or his delegate may at any time revise

ceiling prices reported under this regulation so as to bring them into line with the level of ceiling prices otherwise established by this regulation.

**SEC. 7. Records and reports.** Every person making any charges subject to this regulation shall: (a) Keep for inspection by the Director of Price Stabilization, for a period so long as the Defense Production Act of 1950 remains effective, accurate records of the prices charged between May 24, 1950 and June 24, 1950, inclusive, or, if no charge was made between May 24, 1950 and June 24, 1950, the prices charged on the most recent sales prior to May 24, 1950, and subsequent to June 24, 1949, for each type of service, showing date thereof, the name and address of the principal, and the nature of the service rendered; (b) preserve for a period of two years all records showing the prices at which sales of services subject to this regulation have been made; and (c) submit such additional records and reports to the Director of Price Stabilization as he may from time to time require subject to the approval of the Bureau of the Budget, pursuant to the Federal Reports Act of 1942.

**SEC. 8. Transfers of business or stock in trade.** If the business, assets, or stock in trade are sold, or otherwise transferred, after the date of this regulation, and the transferee carries on the business, or continues to deal in the same type of service, in an establishment separate from any other establishment previously owned or operated by him, the ceiling prices of the transferee shall be the same as those to which his transferor would have been subject if no such transfer had taken place, and his obligation to keep records sufficient to verify such prices shall be the same. The transferor shall either preserve and make available, or turn over, to the transferee all records of transactions prior to the transfer which are necessary to enable the transferee to comply with the provisions of this regulation.

**SEC. 9. Evasion.** Any practice which results in obtaining indirectly a higher price than is permitted by this regulation is a violation of this regulation. Such practices include, but are not limited to devices making use of commissions, services, cross sales, transportation arrangements, premiums, discounts, special privileges, tie-in agreements and trade understandings.

**SEC. 10. Enforcement.** Persons violating any provision of this regulation are subject to the criminal penalties, civil enforcement actions, and suits for damages provided for by the Defense Production Act of 1950.

**SEC. 11. Prohibitions.** On and after the effective date of this regulation, regardless of any contract or other obligation, you shall not sell any service subject to this regulation at a price exceeding your ceiling price as determined under this regulation, and no person shall buy from you in the regular course of business or trade any service subject to this regulation at a price exceeding your ceiling price as determined under this regulation.

**Effective date.** The effective date of this regulation shall be June 4, 1951.

**NOTE.**—The record keeping and reporting requirements of this regulation have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

EDWARD F. PHELPS, Jr.,  
Acting Director of Price Stabilization.

JUNE 4, 1951.

[F. R. Doc. 51-6574; Filed, June 4, 1951;  
10:50 a. m.]

## Chapter VI—National Production Authority, Department of Commerce

[NPA Order M-7, as Amended June 1, 1951]

### M-7—ALUMINUM FOR CIVILIAN USE

This order as amended is found necessary and appropriate to promote the national defense and is issued pursuant to the Defense Production Act of 1950. In the formulation of this order, there has been consultation with industry representatives, including trade association representatives, and consideration has been given to their recommendations. However, in the formulation of this amendment, consultation with representatives of all trades and industries affected has been rendered impracticable by the fact that the order affects a very substantial number of different trades and industries.

This amendment affects NPA Order M-7 as amended May 1, 1951, as follows: It amends paragraph (c) of section 6, and paragraphs (b) and (d) of section 8; it adds a new paragraph (e) to section 8; and it makes certain changes in list A. As so amended, NPA Order M-7 reads as follows:

Sec.

1. Purpose and scope.
2. Definitions.
3. Aluminum forms and products to which this order applies.
4. Application of order.
5. Use of aluminum.
6. Use of aluminum for certain purposes.
7. Maintenance, repair, and operating supplies.
8. Exemptions.
9. Inventories.
10. Applications for adjustment or exception.
11. Records and reports.
12. Communications.
13. Violations.

**AUTHORITY:** Sections 1 to 13 issued under sec. 704, Pub. Law 774, 81st Cong. Interpret or apply sec. 101, Pub. Law 774, 81st Cong.; sec. 101, E. O. 10161, Sept. 9, 1950, 15 F. R. 6105, 3 CFR, 1950 Supp.; sec. 2, E. O. 10200, Jan. 3, 1951, 16 F. R. 61.

**SECTION 1. Purpose and scope.** The purpose of this order is to describe how the aluminum remaining after allowing for the requirements of national defense may be distributed and used in the civilian economy. It is the policy of the National Production Authority that aluminum and articles made of aluminum, not required to fill rated orders, shall be distributed equitably through normal channels of distribution, and that due regard shall be given by suppliers to the needs of new and small business.

**SEC. 2. Definitions.** As used in this order:

(a) "Person" means any individual, corporation, partnership, association, or any other organized group of persons and includes any agency of the United States or any other government.

(b) "Base period" means the 6-month period ending June 30, 1950.

(c) "Manufacture" means to put into process, machine, fabricate, or otherwise alter materials by physical or chemical means: *Provided, however,* That as applied to "castings (foundry products as shipped by the producer)" specified in section 3 of this order the word "manufacture" also means the assembly of said items into components or end products, and that as applied to "powder (including atomized, flake, paste, and pigments)," the word "manufacture" also means segregating, weighing, or packaging for sale or resale by persons other than producers.

(d) "Maintenance" means the minimum upkeep necessary to continue a building, machine, piece of equipment or facility in sound working condition, and "repair" means the restoration of a building, machine, piece of equipment, or facility to sound working condition when the same has been rendered unsafe or unfit for service by wear and tear, damage, failure of parts or the like: *Provided, however,* Neither maintenance nor repair includes the improvement of any such item with material of a better kind, quality, or design.

(e) "Operating supplies" means any aluminum forms or products listed in section 3 of this order which are normally carried by a person as operating supplies according to established accounting practice and are not included in his finished product, except that materials included in such product which are normally chargeable to operating expense may be treated as operating supplies.

**SEC. 3. Aluminum forms and products to which this order applies.** The word "aluminum" as used in this order means only the following aluminum forms and products obtained from either domestic or foreign sources:

- Rod and bar.
- Wire (under  $\frac{1}{8}$  inch).
- Cables (electrical transmission only).
- Rivets.
- Forgings and pressings (before machining).
- Impact extrusions.
- Castings (foundry products as shipped by the producer).
- Rolled structural shapes (angles, channels, zees, tees, etc.).
- Extruded shapes.
- Sheet (coiled and flat), plate, circles and blanks.
- Slugs.
- Plain coil foil.
- Tubing (extruded, drawn, and roll formed).
- Tube blooms.
- Powder (including atomized, flake, paste, and pigments).
- Ingot, pig, billets, slabs, granulated.
- Purchased scrap.

**SEC. 4. Application of order.** Subject to the exemptions stated in section 8 of this order, this order applies to the use of aluminum for purposes of manufacture or construction, or for maintenance, repair, or operating supplies. It does

not apply to (a) the production of aluminum in or the conversion of aluminum to the forms and products listed in section 3 of this order; or (b) the use of aluminum in the production of other metals (including aluminized steel), or of metal alloys, the chief constituent of which is not aluminum, or of chemical salts of aluminum and compositions of aluminum used as a catalyst.

**SEC. 5. Use of aluminum.** Subject to the exemptions stated in section 8 of this order, and unless specifically directed by the National Production Authority, no person shall use in manufacture or construction:

(a) During December 1950, a quantity by weight of aluminum in excess of 100 percent of his average monthly use of aluminum during the base period.

(b) During the following months a total quantity by weight of aluminum in excess of the percentages specified with respect to each month of his average monthly use of aluminum during the base period:

	Percent
January 1951	80
February 1951	75
March 1951	65

(c) During the calendar quarter commencing April 1, 1951, a total quantity by weight of aluminum in excess of 65 percent of his average quarterly use of aluminum during the base period: *Provided, however,* That no person shall use during each of the months of May and June 1951, in the manufacture of nonresidential type windows (excluding architectural type, curved head windows) a total quantity by weight of aluminum in excess of 65 percent of his average monthly use of aluminum for that purpose during the base period. Any person who was authorized by the National Production Authority to use an adjusted monthly base to determine permitted use of aluminum during January, February, or March 1951, shall not use during the second calendar quarter of 1951 a quantity by weight of aluminum in excess of 65 percent of three times such adjusted monthly base; and no manufacturer of nonresidential windows who was authorized by the National Production Authority to use such an adjusted base to determine permitted use of aluminum during January, February, or March 1951 shall use during either of the months of May or June 1951 a quantity by weight of aluminum in excess of 65 percent of such adjusted monthly base. The National Production Authority reserves the right to review and modify or revoke any such adjustment. An authorization by the National Production Authority to use a specific quantity of aluminum in any specified month or months or in the first quarter of 1951 shall not be considered an adjusted base for the purposes of this paragraph.

**SEC. 6. Use of aluminum for certain purposes.** In addition to the limitations on the use of aluminum set forth in section 5 of this order:

(a) No person shall use in manufacture, assembly, or construction a greater quantity or better grade of aluminum than is necessary for functional or operational purposes.

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(b) No person shall use aluminum in manufacture, assembly, or construction for decorative or ornamental purposes.

(c) Subject to the exemptions stated in section 8 of this order, or unless specifically directed by the National Production Authority, no person shall use during each of the months of May and June 1951, in the manufacture of any item included in list A or, in construction for any item in list A, a total quantity by weight of aluminum in excess of 50 percent of his average monthly use of aluminum in such item during the base period. However, any person who, during the months of May or June 1951, purchases parts made wholly or partly of aluminum for incorporation in an item in list A, which parts he manufactured during the base period, shall deduct, to the extent that he purchases such parts, the quantity of aluminum he used in such manufacture during the base period in computing his permitted use during said months. During each of the months of May and June 1951, any person who does not use aluminum in the manufacture of an item in list A, but who assembles parts made wholly or partly of aluminum into such item in list A, shall not assemble a total number of units of such item in excess of 50 percent of the average monthly number of such units which he assembled during the base period: *Provided, however,* That this sentence shall not apply to a person who assembles an item in list A at the point of installation on the order of the ultimate user of the item.

(d) Any person who was authorized by the National Production Authority to use an adjusted monthly base to determine permitted use of aluminum during January, February, or March 1951, shall not use during either of the months of May or June 1951, in the manufacture of any item in list A, a total quantity by weight of aluminum in excess of 50 percent of such adjusted monthly base. The National Production Authority reserves the right to review and modify or revoke any such adjustment. An authorization by the National Production Authority to use a specific quantity of aluminum in any specified month or months or in the first quarter of 1951 shall not be considered an adjusted base for the purposes of this paragraph.

(e) Any person who has placed an order with a supplier for aluminum for use in the manufacture of an item in list A, which order is included in such supplier's mill schedule for the second quarter, may accept delivery thereof after the end of the quarter, and may use such aluminum during the third quarter of 1951 subject to such restrictions as the National Production Authority may prescribe.

**SEC. 7. Maintenance, repair, and operating supplies.** Unless specifically directed by the National Production Authority, during the 6-month period commencing on December 1, 1950, and each 6-month period thereafter, no person shall use for maintenance, repair, and operating supplies a quantity by weight of aluminum in excess of the quantity of aluminum that he used for such purposes during the base period.

**SEC. 8. Exemptions.** (a) The use of aluminum required by any person to fill an order that is rated under the priorities system established by NPA Reg. 2 (excluding orders for items included in list A), or to meet any other mandatory order of the National Production Authority, is permitted in addition to the use of aluminum authorized by the provisions of sections 5 or 7 of this order. The use of aluminum required by any person to fill a rated order for any item included in list A which is marked by an asterisk is permitted in addition to the use of aluminum authorized by the provisions of section 5, 6, or 7 of this order where such item is for the use of the Armed Forces of the United States, including the United States Coast Guard, in the construction, fitting, or furnishing of ships (other than pleasure craft), aircraft, and hospitals, or to supply military specification organizational equipment items. The use of aluminum required to fill an order, whether or not rated, for any item in list A which is not marked by an asterisk shall be subject to the limitations on use stated in section 6 of this order.

(b) The procurement and use by electric utilities of aluminum conductor and aluminum conductor accessories as those terms are defined in NPA Order M-50, is subject to order M-50 and is accordingly exempt from this order. The use by electric utilities of forms and shapes of aluminum listed in section 3 of this order, other than aluminum conductor and aluminum conductor accessories, remains subject to the restrictions of this order.

(c) The provisions of sections 5, 6, and 7 of this order do not apply to persons who use less than 1,000 pounds of aluminum during any period of 12 consecutive months: *Provided, however,* That persons who by reason of the provisions of section 5 or 6 would be permitted to use less than 1,000 pounds during any period of 12 consecutive months may use during such period a quantity up to 1,000 pounds.

(d) The provisions of section 5 of this order will not apply, commencing on February 1, 1951, to the use of aluminum in the manufacture of collapsible tubes as defined in NPA Order M-27, nor, commencing on April 6, 1951, to the use of aluminum in the manufacture of packaging closures as defined in NPA Order M-26, nor, commencing on June 1, 1951, to the use of aluminum foil in the manufacture of containers and packaging materials as defined in NPA Order M-67.

(e) Whenever, under the provisions of this section, the use of aluminum for certain purposes is exempted from the limitations of this order, the use of aluminum for such purposes during the base period shall be deducted in determining the base consumption for the purpose of computing permitted use of aluminum under the provisions of this order.

**SEC. 9. Inventories.** In addition to the provisions of NPA Reg. 1 (15 F. R. 6253), relating to inventory control, it is considered that a more exact requirement applying to users of aluminum is necessary. No person obtaining aluminum for use in manufacture or construction, or for maintenance, repair, or

operating supplies, may receive or accept delivery of a quantity of aluminum if his inventory is, or by such receipt would become, in excess of that necessary to meet his deliveries or supply his services on the basis of his scheduled method and rate of operation pursuant to this order during the succeeding 60-day period, or in excess of a "practicable minimum working inventory" (as defined in NPA Reg. 1), whichever is less. For the purpose of this section, aluminum shapes and forms listed in section 3 of this order in which only minor changes or alterations have been effected shall be included in inventory. NPA Reg. 1 will apply to aluminum except as modified by this section.

**SEC. 10. Applications for adjustment or exception.** Any person affected by any provision of this order may file a request for adjustment or exception upon the ground that his business operation was commenced during or after the base period, or because any provision otherwise works an undue and exceptional hardship upon him not suffered generally by others in the same trade or industry or that its enforcement against him would not be in the interest of the national defense or in the public interest. Each request shall be in writing and shall set forth all pertinent facts and the nature of the relief sought, and shall state the justification therefor.

**SEC. 11. Records and reports.** (a) Persons subject to this order shall preserve the records which they have maintained and will maintain of inventories, receipts, deliveries, and uses of aluminum forms and products commencing with January 1, 1950.

(b) Persons subject to this order shall make records and submit such reports to the National Production Authority as it shall require, subject to the terms of the Federal Reports Act of 1942 (5 U. S. C. 139-139F).

**SEC. 12. Communications.** All communications concerning this order shall be addressed to the National Production Authority, Washington 25, D. C., Ref.: M-7.

**SEC. 13. Violations.** Any person who wilfully violates any provision of this order or any other order or regulation of the National Production Authority or who wilfully conceals a material fact or furnishes false information in the course of operation under this order is guilty of a crime and upon conviction may be punished by fine or imprisonment or both. In addition, administrative action may be taken against any such person to suspend his privilege of making or receiving further deliveries of materials or using facilities under priority or allocation control and to deprive him of further priorities assistance.

**NOTE:** All reporting requirements of this order have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

This order, as amended, shall take effect on June 1, 1951.

NATIONAL PRODUCTION  
AUTHORITY,  
MANLY FLEISCHMANN,  
Administrator.

## LIST A

See section 6 of this order as to the limitations on the use of aluminum in manufacture and construction in connection with the items on the following list.

See section 8 (a) of this order as to the effect of a rated order for items on the following list which are marked by an asterisk.

Airfoil (tubing) for windmills.  
 Aluminum wool (except for aircraft maintenance and automotive air filters).  
 Andirons, screens, and fireplace fixtures.  
 Animal cages.  
 Animal training equipment.  
 Animal traps.  
 Applicators for moistening envelopes.  
 Arbors and trellises.  
 Ash trays.  
 Automobile hardware and trim (except functional parts).  
 Awnings.  
 Badges.  
 Balloon molds.  
 Bar rails, fixtures, and equipment.  
 Barber chairs.  
 Batons.  
 Bathtubs.  
 Beauty parlor equipment.  
 Beer equipment: all items.  
 Bells (except parts where nonmagnetic gong material is required for electrically operated signaling devices used as adjuncts to communication systems).  
 Beverage mixing and serving equipment, such as bottle coolers, cocktail shakers, ice buckets and pails, ice chippers and shavers.  
 Bicycles and accessories.  
 Bird and pet cages, houses, aquariums, accessories and equipment.  
 Blackboard frames and chalk troughs.  
 Boards: shampoo, tanning.  
 Book covers.  
 Book stacks.  
 \*Boxes, including match, cigarette, typewriter ribbon (except instrument cases that require nonmagnetic properties)  
 \*Brackets: light, shelf and wall  
 \*Brooms and brushes (except toothbrushes and industrial)  
 \*Buckles, all types  
 Buckets, household  
 \*Burglar alarms and protective systems (except where essential to the proper servicing or functioning of the parts)  
 Burial vaults and urns  
 \*Buttons (except for work clothing where necessary to resist corrosion)  
 \*Cabinets: kitchen, medicine  
 Calendars, calendar pads and parts  
 Cameras, amateur box type still picture, fixed focus (except reflex)  
 Candle molds  
 Canes  
 Canopies  
 \*Cans, including ignition coil and motion picture humidor  
 Caps: chimney and vent flue (except for industrial)  
 Card tables  
 Cards, greeting  
 Carriages: baby, luggage, strollers, scooters (except functional parts)  
 Cases:  
     Cigar  
     Film  
     Radio, home type  
     Soft drink  
     Spectacle  
     Vanity  
 Caskets, and accessory devices  
 Caster cups, wheel casters and glides (except for industrial and materials handling equipment)  
 Chicken crates  
 \*Chutes: coal, package, and waste  
 Cigarette lighters

Cleaning accessories, such as carpet sweepers, dust pans and scrubbing sets  
 Clothespins  
 Coasters  
 Combs  
 Coops: brooder, chicken, quail, etc.  
 \*Copings  
 \*Cornices  
 Crayon molds  
 \*Cups  
 Curtain, drapery, and carpet hardware  
 Cutlery handles  
 Cupidors  
 Desk pads  
 Dispensers, fixed or portable, for soap, lotion, papers, straws, etc. (except where necessary to resist corrosion for hospital, scientific laboratory, and industrial use)  
 Dolls  
 Door chimes  
 \*Doors, including, but not limited to:  
     Coal  
     Door frames  
     Dumbwaiter  
     Incinerator  
     Screen  
     Storm  
 Draperies  
 Dresser sets  
 \*Ducts, air conditioning, warm air, ventilating  
 Emblems, medals (except religious), crestings and plates  
 Fences, wire  
 Flag poles, stanchions, and sockets.  
 Flower boxes, stands, and pot holders.  
 Forms, concrete vault casting, wax  
 Fountains  
 Frames:  
     Electric sign  
     Picture  
 Frozen fruit sticks  
 \*Furniture (except medical, dental, and hospital)  
 \*Furniture, hardware (except functional parts)  
 Games  
 Garden tools and equipment  
 Garment hooks, brackets, racks, rods, trees, and hangers  
 Giftware  
 Gutters, leaders and downspouts.  
 Hair curlers  
 Hand-tool handles (except portable electric tools)  
 Hedge clipping machines  
 Highway markers, signals, and signs (except electrically operated traffic control signals)  
 Holders:  
     Brush  
     Pen  
     Soda fountain cup  
 \*Hollow ware  
 Horse shoes  
 Ice cream freezers for home use  
 Jewelry, all types (except religious goods)  
 Ladders and step stools (except industrial, fire, and marine)  
 Laundry accessories, domestic, such as tubs and boilers, washboards, drain board and tub covers, clothes hampers, ironing boards and tables, garment stretchers and dryers, clothes drying frames, and clothes-line hardware  
 Lawn and garden hose accessories, such as sprinklers, nozzles, couplings, clamps, menders, and reels  
 Lawn mowers, seeders, rollers, and tampers  
 Letter openers  
 Lightning rods  
 Luggage, fittings, rim, and hardware  
 Machines: rowing, voting  
 Mail boxes  
 Maps and globes (world)  
 Marine construction: pleasure craft and fittings of all kinds, including but not limited to:  
     Boats  
     Canoes  
     Rowboats  
     Sailboats

Markers:  
 Grave  
 License plates  
 Price  
 Tee  
 Traffic  
 Tree  
 Memorials and tablets  
 Mesh bags  
 Metal lath, and accessories  
 \*Metal letters and numbers (except for industrial or public utility control identification)  
 Mops  
 \*Mouldings and trim (except functional retaining mouldings, shapes, or forms)  
 Mud scrapers  
 Nursing bottles  
 Oil cloth, foil-covered  
 Ornaments, Christmas tree  
 Packaging:  
     Containers for:  
         Bath salts  
         Cosmetics, except collapsible tubes  
         Gifts  
         Powder  
         Shoe polish  
     Tubes, for cigars  
     Jars, beauty cream  
     Shakers, talcum powder  
 Foil for:  
     Capsules (except therapeutical)  
     Cartons  
     Florist  
     Household  
     Labels  
     Wraps: gift, cosmetic, liquor  
     Wine bottles  
 Paper clips  
 \*Plates: name, scuff, push, kick (except instruction and identification plates on equipment)  
 Playground equipment  
 Pleasure boat fastenings, fittings and hardware  
 Portable bleachers  
 Roofing, and accessories, residential type (including shingles)  
 \*Rulers (except technical rulers such as slide rules and others used in engineering)  
 Saddlery, and harness hardware  
 \*Screening (except insect and that used in technical and scientific equipment)  
 Shoe heels (except orthopedic)  
 Shovels, scoops, scrapers and pushers, (except as required for handling food, chemical products and grain in processing and distribution)  
 Siding and accessories (except industrial)  
 \*Signs, including advertising  
 Smokers' accessories  
 \*Soap dishes and bathroom accessories  
 Souvenirs and novelties, advertising specialties  
 Spandrels  
 Spools such as wire (except magnet), adhesive tape, solder  
 Sporting goods, all kinds (except commercial fishery goods, life raft equipment, fishing rod offset handles, and firearms components)  
 Spray guns (except paint spraying equipment and agricultural sprays)  
 Spurs, climbing  
 Statuary (except religious and artists' originals)  
 Stencils  
 Store fronts, (except glass holding members)  
 Stove pipe and other flue connections  
 \*Tent poles, frames, and pegs.  
 \*Thermostatic containers (except shoulders and cups on vacuum bottles of one quart and under size, and special laboratory and hospital equipment)  
 Toilet seats and covers  
 Tokens (except where necessary for electrical operation)  
 Tombstones  
 \*Tooth brush and tumbler holders  
 \*Towel bars  
 Toys

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Tricycles and other children's vehicles  
Umbrellas and parasols  
Venetian blinds, fittings, and accessories  
Vending machines (except functional parts)  
Waste baskets  
Wheelbarrows (except as required for handling chemicals)  
\*Whistles (except safety devices, air raid, and fire alarms)  
Windows, storm (except sash slides)  
Windows, architectural type, curved head.  
[F. R. Doc. 51-6541; Filed, June 1, 1951;  
4:59 p. m.]

[INPA Order M-46, as Amended, June 1, 1951]

**M-46—PRIORITIES ASSISTANCE FOR THE PETROLEUM AND GAS INDUSTRIES IN THE UNITED STATES AND CANADA**

This order as amended is found necessary and appropriate to promote the National Defense and is issued pursuant to the authority granted by section 101 of the Defense Production Act of 1950. Consultation with industry representatives in advance of the order was rendered impracticable due to the fact that it applied to all branches of the petroleum and gas industries. In the formulation of this order as amended, consultation with the petroleum and gas industries was also rendered impracticable by the necessity for immediate action.

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**AUTHORITY:** Sections 1 to 25 issued under sec. 704, Pub. Law 774, 81st Cong. Interpret or apply sec. 101, Pub. Law 774, 81st Cong.; sec. 701, E. O. 10161, Sept. 9, 1950, 15 F. R.

6105, 3 C. F. R. 1950 Supp.; sec. 2, E. O. 10200, Jan. 3, 1951, 16 F. R. 61.

**PURPOSES AND DEFINITIONS**

**SECTION 1. What this order does.** This order sets out the rules by which priorities assistance is made available to petroleum and gas operators in the United States of America and Canada to obtain material for maintenance and repair purposes, as operating supplies, or laboratory equipment. It also tells operators how to get assistance in obtaining materials for use in production and construction operations. This order does not apply to operations other than in the United States of America and Canada, nor does it apply to those uses of material identified in schedule A as "Non-industry uses of material."

**SEC. 2. Definitions.** (a) "Operator" means:

(1) any person located in the United States of America to the extent he is engaged in the petroleum and gas industries (domestic operator), or (2) any person located in the Dominion of Canada to the extent that he is engaged in the petroleum and gas industries (Canadian operator).

(b) "Petroleum" means crude oil and associated hydrocarbons, including the products thereof.

(c) "Gas" means natural gas, manufactured gas, or mixtures thereof.

(d) "Petroleum and gas industries" includes any of the following activities and any operations directly incident to these activities as they pertain to petroleum or gas:

(1) The discovery, development, or depletion of petroleum or gas (production);

(2) The extraction or recovery of natural gasoline or associated hydrocarbons (natural gasoline recovery);

(3) The movement, loading, or unloading of petroleum (transportation);

(4) The transportation of gas (gas transmission);

(5) The processing, reprocessing, or alteration of petroleum, including but not limited to compounding or blending (refining);

(6) The processing of material for the production of manufactured gas (manufactured gas production);

(7) The distribution or dispensing of petroleum, gas, or the products thereof, and the storage incident thereto (distribution);

and shall include for each of the above listed branches of the industries, to the extent applicable, the control of, or the investigation into more effective methods of conducting, petroleum or gas operations by means of research, technical, or control laboratories.

(e) "Material" means any raw, in-process, or manufactured commodity, equipment, component, accessory, part, assembly, or product of any kind;

(f) "Production operation" means any use of material for construction, expansion, improvement, reconstruction, remodeling, alteration, maintenance, repair, or replacement incident to production, except (1) a use of material for a gathering line for a gas or condensate

well; a crude oil gathering line connecting a lease or field shipping tank or battery where petroleum is first gauged to any other petroleum gathering or movement facility or any refinery facility; or (2) a use of material for any of the following enumerated plants or facilities where the material to be installed or added increases the rated capacity of the plant more than 500 horsepower: vacuum plant or facilities; cycling plant or facilities; plant or facilities for the extraction or recovery of natural gasoline or associated hydrocarbons, or for other treatment, processing, or compression of natural gas.

(g) "Construction operation" means any use of material for construction, expansion, improvement, reconstruction, remodeling, alteration, maintenance, repair, or replacement incident to any branch of the petroleum and gas industries, other than production, but shall include any such use of material for the type of construction or installation which is specifically excepted from the definition of a production operation.

(h) "Maintenance and repair" means (without regard to accounting practice):

(1) The upkeep of any structure, equipment, or material in a sound working condition, or the restoration or fixing of any structure, equipment, or material which has broken down or is worn out, damaged, or destroyed;

(2) Any other use of material in any branch of the industry other than distribution not exceeding in material cost \$1,000 for any one complete operation which has not been subdivided for the purpose of coming within this definition;

(3) Any other use of material for the distribution or dispensing of petroleum, gas, or the products thereof, and the storage incident thereto (distribution) not exceeding in material cost \$100 for any one complete operation which has not been subdivided for the purpose of coming within this definition.

(i) "Operating supplies" means any material other than material used for maintenance and repair which is essential to and consumed in the petroleum and gas industries and which is normally carried by an operator as operating expense or which is normally chargeable to operating expense, including among other items, chemicals, additives, and blending agents.

(j) "Laboratory equipment" means material or equipment used exclusively for the purpose of controlling, or investigating more effective methods of conducting, petroleum and gas industries operations by means of research, technical, or control laboratories. This material or equipment shall not, however, include material for use in the construction of laboratory buildings or other structures.

(k) "Controlled material" means steel, copper, and aluminum, in the forms and shapes indicated in schedule I of CMP Regulation No. 1.

(l) "Allotment", "class A product", and "class B product" have the same meanings, respectively, as in CMP Regulation No. 1 of the National Production Authority.

(m) "PAD district" means any one of the five areas designated as a PAD

district in schedule B of the order with respect to domestic operators, or the Dominion of Canada in the case of Canadian operators.

(n) "Delivery order" means any purchase order, contract, shipping, or other instruction calling for delivery of any material or product on a particular date or dates or within specified periods of time.

(o) "Authorized controlled material order" means any delivery order for any controlled material (as distinct from a product containing controlled material) which is placed pursuant to an allotment or which is specifically designated to be such by any regulation or order of the Petroleum Administration for Defense or the National Production Authority.

(p) "Administrative operations" means the supervisory, fiscal, administrative, or clerical activities necessary to the operation of plants, units, or facilities involved in and a part of the petroleum and gas industries.

#### MRO MATERIAL—MAINTENANCE AND REPAIR, OPERATING SUPPLIES AND LABORATORY EQUIPMENT

**SEC. 3. The symbol for MRO material.** To secure material, including controlled material, for maintenance and repair, operating supplies, or laboratory equipment (all known as MRO material) an operator may use and apply DO-97. An operator may not use the symbol until he has complied with the rules set forth in section 4 and, where applicable, sections 5 and 15 of this order.

**SEC. 4. How to use the symbol for MRO material.** (a) To use DO-97 for MRO material, other than MRO material to be used for administrative operations, an operator must place DO-97 on each delivery order for material together with the words set forth in section 14 of this order and must submit copies of each such order for approval or information as required by section 15 of this order.

(b) To use DO-97 for MRO material to be used for administrative operations an operator must:

(1) Establish a quota in accordance with the provisions of schedule C.

(2) Place DO-97 on each delivery order for material together with the words set forth in section 14 of this order.

An operator may not use DO-97 for MRO material to be used for administrative operations in excess of a quota applicable to him established pursuant to the provisions of schedule C.

(c) A domestic operator should make the necessary filings with the Petroleum Administration for Defense, Washington 25, D. C., Attention: Materials Division. A Canadian operator will make the filings with the Petroleum Division, Department of Trade and Commerce, Toronto, Canada.

**SEC. 5. Emergency MRO material.** (a) Where there has been an actual breakdown or suspension of operations, and where the methods specified in section 4 of this order will not get the material on the date or in the quantity required, an operator may request priorities assistance to secure emergency MRO mate-

rial by letter, telegram, or telephone to the Washington office of the Petroleum Administration for Defense, or, in the case of Canadian operators, to the Petroleum Division, Department of Trade and Commerce, Toronto, Canada, advising the date of the actual breakdown or suspension of operations and the operations affected, the branch of the industry (see section 2 (d)), a description of the equipment to be repaired and its function in maintaining continuous operation, the price, quantity, and a detailed description of the material required including the number and the date of delivery orders therefor, and the supplier or suppliers from whom the material is to be obtained.

(b) If information is supplied by telephone, it must be confirmed within 3 days by letter or telegram.

(c) No delivery order for emergency MRO material need be submitted for approval, but an operator may not place a delivery order bearing DO-97 with the supplier for emergency MRO material until approval to do so has been received and a delivery order has been certified in accordance with section 14 of this order.

#### ASSISTANCE FOR PRODUCTION OPERATIONS

**SEC. 6. Material covered.** The order provides priorities assistance to get materials for all types of production operations. Sections 6 through 9 set forth the rules to be followed by an operator in obtaining and using this priorities assistance. The only production operations for which priorities assistance is not provided in these sections are production offices and camp facilities. Priorities assistance for production offices and camp facilities must be obtained under sections 10, 11, and 12 of the order dealing specifically with priorities assistance for construction operations. In sections 8 and 9 of this order, certain specific rules are set forth for three classes of materials. These are: class 1 material—casing and tubing; class 2 material—drill pipe; and class 3 material—all other. The rules are different for each of these classes of materials because it is necessary in the interest of the over-all program to provide different methods by class for obtaining authority to use the priorities assistance which is made available. Class 1 and class 2 material are also divided into two groups: (a) normal requirements and (b) emergency requirements. Separate rules apply to each. In general, normal requirements are the quantities of casing and tubing or drill pipe necessary to meet an operator's projected quarterly drilling program, including exploratory wells. Emergency requirements are those quantities of casing, tubing, or drill pipe found necessary to carry out exploratory operations, drilling obligations, or the like in circumstances where sufficient materials are not on hand, readily available, or otherwise obtainable without the use of priorities assistance.

**SEC. 7. The symbol.** To secure casing, tubing, or drill pipe for normal requirements an operator may use and apply DO-48. The operator may also use and apply DO-48 for class 3 material, which

includes all controlled materials except casing, tubing, and drill pipe. For emergency requirements an operator may use and apply DO-48E. An operator may not use either of these until he has complied with the rules set forth in sections 8 or 9 and, where applicable, section 5 of this order.

**SEC. 8. How to use the symbol for normal requirements, and class 3 material.** (a) To use DO-48 for normal requirements of class 1 and class 2 material, an operator must receive specific approval as to the quantities which he may procure through use of the symbol. The following filings are required:

(1) **Class 1 material.** An operator must file 4 copies of Form PAD 17 (Petroleum and Gas Operator's Quarterly Requirements Statement) for each PAD district in which operations are to be conducted during the calendar quarter when delivery of material requested on the form is required. Where an operator proposes to undertake operations during that quarter in more than one PAD district, he must also file at the same time a summary report of all proposed operations, using Form PAD 17.

(2) **Class 2 material.** An operator must file 4 copies of Form PAD 17DP (Domestic Petroleum [Oil and Gas] Operator's Drill Pipe Inventory Statement and Requirements Application) for operations to be conducted during the calendar quarter when delivery of the material requested on the form is required.

After review, the operator will receive one copy of Form PAD 17 for casing and tubing and one copy of Form PAD 17DP for drill pipe, together with a communication giving in each case the quantities of material which the operator may obtain by the use of DO-48, or otherwise disposing of the application. To use DO-48 to obtain deliveries of quantities which may be authorized, an operator must place the symbol on each delivery order for such material together with the words set forth in section 14 of this order.

(b) To use DO-48 for class 3 material, an operator must place DO-48 on each delivery order for such material together with the words set forth in section 14 of this order, and must submit copies of each such order for approval or information as required by section 15 of this order.

(c) A domestic operator will make the above filings with the Petroleum Administration for Defense, Washington 25, D. C., Attention: Materials Division. A Canadian operator will make the filings with the Petroleum Division, Department of Trade and Commerce, Toronto, Canada.

(d) Form PAD 17 must be filed for deliveries for the fourth quarter (October, November, December) not later than June 30, 1951. Form PAD 17DP must be filed for deliveries for the fourth quarter not later than June 15, 1951. Delivery orders for class 3 material may be filed at any time convenient to the operator but should be filed in sufficient time to permit placement of orders with the supplier for delivery of materials in the quarter when delivery is wanted. For the quarters following (that is, for

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deliveries during the first quarter of 1952, etc.) an operator must file Form PAD 17 at least 3 months prior to the beginning of the quarter in which delivery of the material is to be made and Form PAD 17DP at least 3½ months prior to that quarter.

(e) After Form PAD 17 or PAD 17DP has been returned to an operator, he may find that the quantities authorized are inadequate for his normal requirements during the ensuing calendar quarter. In that event, the operator may file a supplemental request for casing, tubing, or drill pipe. This filing should be by Form PAD 17 for casing and tubing, or Form PAD 17DP for drill pipe (4 copies in each instance), accompanied by an explanatory letter in duplicate. The filing should be within 2 weeks of the time that the operator receives his original authorization. Each supplemental request should make reference to the operator's original application by government file number and the like. In the event that additional quantities are authorized, the operator will be appropriately notified and may then apply DO-48 to his delivery orders for these quantities in the manner specified in section 8 (a) of this order.

**SEC. 9. How to use the symbol for emergency requirements;** (a) Since priorities assistance for class 3 material is made available by delivery order filing, no special rules exist for emergency requirements. Special arrangements have been made, however, for class 1 and class 2 material.

(1) **Class 1 material.** Four copies of Form PAD 15 (Emergency Requirements Application) must be filed for casing and tubing.

(2) **Class 2 material.** Four copies of Form PAD 17DP, identified in section 8, must be filed for drill pipe.

The form may be filed in the case of either class 1 or class 2 material before or during the month in which deliveries of materials for emergency purposes are required.

(b) The operator will be notified of the quantities for which he is authorized to use DO-48E. The operator may not use the symbol until he has been authorized to apply it to a specific quantity of material. The operator may use DO-48E by placing the symbol on each delivery order for the material authorized together with the words set forth in section 14 of this order.

**ASSISTANCE FOR CONSTRUCTION OPERATIONS**

**SEC. 10. Material covered.** The order provides assistance for all types of construction operations. Sections 10 through 12 set forth the rules to be followed by an operator in obtaining and using this priorities assistance. In addition to construction operations as defined, these sections also are to be used in securing priorities assistance for production office and camp facilities. For the purposes of this order, production office and camp facilities shall be deemed to be a type of construction covered by the term "construction operation." In sections 12 and 13 of this order, certain specific rules are set forth for two types of construction operations. These are:

Large construction operations—any construction operation in which, for any one complete operation, the total cost of controlled materials to be used is \$5,000 or more, or in which, for any one complete operation involving a building, warehouse, office, residence, or other enclosed structure, the total cost of all materials to be used is \$5,000 or more; and small construction operations—any construction operation in which, for any one complete operation, the total cost of controlled materials to be used is less than \$5,000, or in which, for any one complete operation involving a building, warehouse, office, residence, or other enclosed structure, the total cost of all materials to be used is less than \$5,000. The rules are different for each of these types because it is necessary, prior to granting assistance, to provide a review as to the essentiality of all proposed construction which uses large quantities of material. There may be certain types of material which by virtue of special prohibitions of the National Production Authority cannot be obtained as MRO material. Specifically, these materials are those that appear in section 2 of schedule D. Where an operator wants priorities assistance for these materials he must use the rules set forth in section 13 applicable to small construction operations. For the purposes of this order, procurement of this material will be deemed to be covered by the term "construction operation."

**SEC. 11. The symbol.** To secure material for any construction operation an operator may use and apply DO-48. An operator may not use the symbol until he has complied with the rules set forth in sections 12 or 13, and where applicable, section 15 of this order.

**SEC. 12. How to use the symbol for large construction operations.** (a) To use DO-48 for large construction operations, an operator must receive specific approval as to the quantities of controlled material and other critical material to be used in the operation which he may procure through use of the symbol. To do this, he must file four copies of Form PAD 26 (Application to Complete or Construct a Petroleum or Gas Project) for each large construction operation for which the operator wants priorities assistance. After review, the operator will receive one copy of Form PAD 26 together with a communication giving the quantities of material which the operator may obtain by the use of DO-48 or otherwise disposing of the application. To use DO-48 to obtain deliveries of quantities which may be authorized, an operator must place the symbol on each delivery order for such material together with the words set forth in section 14 of this order.

(b) A domestic operator will file Form PAD 26 with the Petroleum Administration for Defense, Washington 25, D. C., Attention: Materials Division. A Canadian operator will file the form with the Petroleum Division, Department of Trade and Commerce, Toronto, Canada.

**SEC. 13. How to use the symbol for small construction operations.** To use DO-48 for small construction operations, an operator must place DO-48 on each

delivery order for material to be used in a small construction operation together with the words set forth in section 14 of this order, and must submit copies of each such order for approval or information as required by section 15 of this order. A domestic operator will file delivery orders with the Petroleum Administration for Defense, Washington 25, D. C., Attention: Materials Division. A Canadian operator will file with the Petroleum Division, Department of Trade and Commerce, Toronto, Canada.

**CERTIFICATION AND FILING**

**SEC. 14. Certification.** The words which an operator must use are:

The undersigned certifies that the rating hereby applied is authorized by and properly used pursuant to the provisions of NPA Order M-46.

**SEC. 15. Filing requirements.** (a) In a number of instances operators must file delivery orders either for approval or information. This section tells when such filings must be made and what information should be furnished. Where a delivery order must be filed for approval, the operator may not use any priorities assistance made available by this order until there has been returned to the operator one approved copy of the order. Every delivery order for which approval is required must be submitted in duplicate; only one copy of a delivery order need be submitted if it is sent for information purposes.

(b) There are two instances where delivery orders must be submitted for approval, whether the delivery order is for MRO material or for material to be used for production or construction operations. The instances are: (1) Every delivery order for a controlled material in the total amount of \$25 or more must be submitted for approval, unless the use of priorities assistance has been authorized through application on Form PAD 15, 17, 17DP, or 26; and (2) Every delivery order for other than a controlled material if it is for a total amount of \$5,000 or more or if any single item costs more than \$1,500 must be submitted for approval, unless the use of priorities assistance has been authorized through application on Form PAD 26.

(c) An operator must submit for information any delivery order for a total amount of \$500 or more but less than \$5,000 containing no single item which costs more than \$1,500, unless the use of priorities assistance has been authorized through application on Form PAD 15 or 26. An operator must submit for information, within 48 hours after it has been placed by the operator and accepted by the supplier, every delivery order for quantities of material authorized as a result of application on Form PAD 17 or PAD 17DP.

(d) In every instance where a delivery order is submitted for approval, an operator shall prepare a statement of the reasons why assistance is required, containing the following information: The branch of industry in which the material will be used (see section 2 (d)), the price, quantity, and a detailed description of the material required, the number and date of delivery orders therefor, date at which delivery must be made or has been

promised by the supplier, the reasons why timely delivery cannot be effected without the assistance requested, the relationship of the materials to operations (end-use); and the circumstances which justify assistance in the interests of national defense. This statement in duplicate should be submitted with, or be a part of, the delivery order.

**ALLOTMENTS, CANCELLATIONS, AND INVENTORY RESTORATION**

**SEC. 16. Allotments.** Any priorities assistance obtained through this order when used in connection with a specific quantity of controlled material constitutes an allotment for the purposes of CMP Regulation No. 1. Any delivery order for controlled materials placed pursuant to this order and bearing the certification provided for in this order is an authorized controlled material order, provided that such delivery order must be in sufficient detail to permit entry on mill schedules and must be received by the controlled material producer or other supplier at such time as is specified in CMP Regulation No. 1 or at such later time as the controlled material producer may find it practicable to accept the same.

**SEC. 17. Use and cancellation of allotments.** (a) After an operator has been authorized to use a symbol on a quantity of controlled materials he must do so promptly. If delivery orders are not placed within 30 days after receiving authority pursuant to this order, an operator must promptly notify either the Petroleum Administration for Defense, Washington, D. C., or the Petroleum Division, Department of Trade and Commerce, Toronto, Canada, as appropriate, of this fact and of the extent to which authorized controlled material orders have not been placed. If an operator elects not to use an allotment, he shall, within 30 days after receiving it, notify the Petroleum Administration for Defense or the Petroleum Division, Department of Trade and Commerce, as appropriate, of this fact and of the extent to which he has elected not to use the allotment.

(b) An operator who has placed a delivery order for controlled material pursuant to the authority of this order may cancel or reduce the same by notice in writing to the person with whom the order has been placed. Where an authority received by an operator is cancelled in whole or in part, he must, to the extent of the cancellation, cancel all delivery orders placed pursuant to that authority.

**SEC. 18. Inventory restoration.** An operator may, subject to the provisions of this order, use a symbol duly authorized in accordance with the order to restore to a practicable working minimum his inventory of material where the inventory has been depleted through the use of MRO material or material necessary to a production or construction operation, provided that no delivery of material which would result in surplus material as defined in NPA Order M-46C may be accepted by the operator.

**GENERAL**

**SEC. 19. Restrictions.** An operator may not use any symbol authorized pursuant to this order to obtain material: (a) for any purpose other than a purpose authorized under this order or in greater amounts or on earlier dates than required for any authorized purpose; (b) if it can be secured without the use of priorities assistance; (c) the use of which could be eliminated without serious loss of efficiency by substitution of less scarce material or by change of design; (d) in such amounts or at such dates that receipt of the amounts on the requested dates would result in surplus material as defined in NPA Order M-46C; or (e) of a type for which use of priorities assistance is prohibited as set forth in schedule D.

**SEC. 20. Authority.** The Petroleum Administration for Defense may, pursuant to the provisions of Delegation 13 of the National Production Authority, as amended, take additional or other action in respect to the receipt, use, delivery, or other disposition of material covered by this order and priorities assistance therefor authorized pursuant to this order.

**SEC. 21. Added use of assistance.** The priorities assistance made available pursuant to this order may be used to secure services to the extent provided for in NPA Reg. 2 as amended from time to time.

**SEC. 22. Other orders.** This order and all transactions affected hereby, except as herein otherwise provided, are subject to all applicable orders and regulations of the NPA as amended from time to time. None of the provisions of NPA Reg. 4 or of CMP Regulation Nos. 2, 4, 5, or 6 (or the limitations incorporated in any NPA or CMP regulation which would otherwise subject an operator to the provisions of such regulation) shall apply to an operator, and no operator shall obtain any material under it or be limited by the provisions of such regulations or limitations to the extent that he is entitled to obtain material through the assistance made available by this order.

**SEC. 23. Records, reports, and forms.** (a) Each person participating in any transaction covered by this order shall retain in his files, for at least 2 years, records of receipts, deliveries, inventory, and use, in sufficient detail to permit an audit that determines for each transaction that the provisions of this order have been met. This does not specify any particular accounting method, nor does it require alteration of the system of records customarily maintained, provided the system provides an adequate basis for audit. Records may be retained in the form of microfilm or other photographic copy instead of the original.

(b) All records required by this order shall be made available at the usual place of business where maintained for inspection and audit by duly authorized representatives of the National Production Authority or the Petroleum Administration for Defense.

(c) Persons subject to this order shall make such records and submit such reports to the Petroleum Administration for Defense and the National Production Authority as they shall require subject to the terms of the Federal Reports Act of 1942 (5 U. S. C. 139-139F).

**SEC. 24. Communications.** All communications from domestic operators should be addressed to the Petroleum Administration for Defense, New Interior Building, Washington 25, D. C., Attention: Materials Division. All communications from Canadian operators should be addressed to the Petroleum Division, Department of Trade and Commerce, Toronto, Canada.

**SEC. 25. Violations.** Any person who willfully violates any provision of this order or any other order or regulation of NPA, or who willfully conceals a material fact or furnishes false information in the course of operation under this order is guilty of a crime and, upon conviction, may be punished by fine or imprisonment or both. In addition, administrative action may be taken against such person to suspend his privilege of making or receiving further deliveries of materials or using facilities under priority or allocation control and to deprive him of further priorities assistance.

**Note:** All reporting and record-keeping requirements of this regulation have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

This order as amended shall take effect on June 1, 1951.

**NATIONAL PRODUCTION  
AUTHORITY,  
MANLY FLEISCHMANN,  
Administrator.**

**SCHEDULE A—NON-INDUSTRY USES OF MATERIAL**

Other than as specifically provided for in this schedule, use of the following material shall not be considered as a use of material in the petroleum and gas industries:

(a) Material or equipment which is to be used by consumer accounts for or in the storage or dispensing of petroleum, including liquefied petroleum gas.

(b) Material or equipment which is to be used for transportation by means of a tank truck or trailer, railroad rolling stock, or marine equipment: *Provided*, That:

(1) Where material is to be used on a tank truck or trailer and is specialized petroleum or gas material or equipment which is actually to be attached to the truck or trailer and is necessary to the containing, dispensing, measuring, the movement, or distributing of petroleum or gas, such use shall be considered a use of material in the petroleum and gas industries.

(2) Where material is to be used on railroad rolling stock and the rolling stock is owned or leased by the operator, used on his premises and in the petroleum industry, and is not under the jurisdiction of the Interstate Commerce Commission, such use shall be considered a use of material in the petroleum and gas industries.

(3) Where material is to be used on marine equipment and the marine equipment is used or chartered by the operator, is used on or in the vicinity of his premises and in the industry, and is not under the jurisdiction of the United States Maritime Administration, the Navy Department, or any other Federal agency, for the purpose of establishing methods by which material incident to the operation of the marine equip-

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ment may be made available, such use shall be considered a use of material in the petroleum and gas industries.

## SCHEDULE B—PETROLEUM ADMINISTRATION FOR DEFENSE DISTRICTS

*District 1.* Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Delaware, Pennsylvania, Maryland, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, District of Columbia.

*District 2.* Ohio, Kentucky, Tennessee, Indiana, Michigan, Illinois, Wisconsin, Minnesota, Iowa, Missouri, Oklahoma, Kansas, Nebraska, South Dakota, North Dakota.

*District 3.* Alabama, Mississippi, Louisiana, Arkansas, Texas, New Mexico.

*District 4.* Montana, Wyoming, Colorado, Utah, Idaho.

*District 5.* Arizona, California, Nevada, Oregon, Washington, Territory of Alaska.

## SCHEDULE C—ADMINISTRATIVE QUOTAS

Schedule C is applicable to the use of the symbol DO-97 for the procurement by an operator of material to be used for administrative operations. Such material consists of office supplies, office equipment and machinery, and the like, to the extent that these materials come within the definitions of maintenance and repair and operating supplies set forth in the order.

The symbol DO-97 for material to be used for administrative purposes may be used pursuant to the provisions of section 4 (b) only if the operator has a quota as established through this schedule.

## TYPES OF QUOTA

An operator may elect one of the three types of quotas described below. If an operator elects or obtains permission to use any one of the three quotas, he may not change to either of the other two without obtaining permission. (See section 4 (c).)

(a) *Standard quota.* The standard quota is on a quarterly basis and is one-fourth of the dollar amount which the operator spent during the calendar year 1950 for MRO material for administrative operations. If he operated on a fiscal year basis, it is one-fourth of the dollar amount spent for MRO material for administrative operations during the fiscal year ending nearest December 31, 1950.

(b) *Seasonal quota.* The seasonal quota is the dollar amount which the operator spent during the corresponding calendar quarter of the calendar year 1950 for MRO material for administrative operations. If he operated on a fiscal year basis, it is the dollar amount spent for MRO material for administrative operations during the corresponding quarter of the fiscal year ending nearest December 31, 1950.

(c) *Administrative quota.* The administrative quota is the quota determined by the Petroleum Administration for Defense or the Petroleum Division, Department of Trade and Commerce, which the operator may use in lieu of either the standard quota or seasonal quota.

## HOW TO OBTAIN AN ADMINISTRATIVE QUOTA

The administrative quota must be applied for. It is designed to provide relief where an operator was only in partial operation in 1950, did not operate at all in 1950, or has had such expansion of operations since 1950 that neither the standard quota nor seasonal quota properly represents the operator's demands for MRO material to be used for administrative purposes. To procure an administrative quota, a domestic operator must file with the Petroleum Administration for Defense, and a Canadian operator must file with the Petroleum Division, Department of Trade and Commerce, four copies of a letter setting forth in full the circumstances

as to his operations which make inappropriate the use of either the standard quota or the seasonal quota. An operator may use only a standard quota or seasonal quota until he has received authority to use the administrative quota.

## SCHEDULE D—MATERIALS FOR WHICH SYMBOLS MAY NOT BE USED

SECTION 1. The following items are not subject to any ratings issued by or under authority of the National Production Authority at the present time, and no rating issued pursuant to NPA Order M-46 may be used to obtain such items unless specific authorization is given:

Communications services.

Electric power.

Farm equipment.

Fertilizer, commercial.

Food.

Fuels, solid.

Gas.

Ice.

Mineral aggregates:

Sand.

Gravel.

Crushed stone.

Slag.

Ores and scrap.

Petroleum.

Source and fissionable materials.

Steam heating, central.

Transportation services, domestic, storage, and port facilities.

Transportation services, other.

Waste paper.

Water.

Wood pulp.

SECTION 2. The following materials may not be obtained through use of the symbol DO-97, and a DO-97 may not be used to obtain such materials:

All basic, organic, or inorganic chemicals, their intermediates and derivatives other than compounded end-products not customarily sold as chemicals.

Casing, tubing, and drill pipe.

Items appearing in list A of NPA Order M-47, as the same may be amended from time to time.

Nylon fibers and yarns.

Packaging materials and containers.

Paint, lacquer, and varnish.

Paper and paper products.

Paperboard and paperboard products.

Photographic film.

Rails, tie plates, track spikes, splice bars, rail joints, frogs, and switches.

Rubber tires and tubes.

[F. R. Doc. 51-6546; Filed, June 1, 1951; 5:00 p. m.]

## [INPA Order M-46B]

## M-46B—CONSTRUCTION LIMITATIONS FOR THE PETROLEUM AND GAS INDUSTRIES OF THE UNITED STATES

This order is found necessary and appropriate to promote the national defense and is issued pursuant to the authority granted by section 101 of the Defense Production Act of 1950. Consultation with industry representatives in advance of the issuance of this order has been rendered impracticable due to the fact that it applies to all branches of the petroleum and gas industries.

## PURPOSE, DEFINITIONS, AND SCOPE

## Sec.

1. What this order does.
2. Definitions.
3. Scope.

## RESTRICTIONS AND PERMISSIONS

## Sec.

4. Restrictions on use of material.
5. Permitted uses of material.
6. Application for authorization to use material.
7. Prohibited deliveries.
8. Defense against claims for damages.

## GENERAL

9. Applicability of NPA Order M-4.
10. Violations.
11. Authority.

AUTHORITY: Sections 1 to 11 issued under sec. 704, Pub. Law 774, 81st Cong. Interpret or apply sec. 101, Pub. Law 774, 81st Cong.; sec. 701, E. O. 10161, Sept. 9, 1950, 15 F. R. 6105, 3 CFR, 1950 Supp.; sec. 2, E. O. 10200, Jan. 3, 1951, 16 F. R. 61.

## PURPOSE, DEFINITIONS, AND SCOPE

SECTION 1. *What this order does.* This order sets out the rules which must be followed by petroleum and gas operators who want to construct facilities in the petroleum and gas industries. The order does not apply to foreign operations.

SECTION 2. *Definitions.* (a) "Operator" means any person located in the United States of America to the extent he is engaged in the petroleum and gas industries.

(b) "Petroleum" means crude oil and associated hydrocarbons, including the products thereof.

(c) "Gas" means natural gas, manufactured gas, or mixtures thereof.

(d) "Petroleum and gas industries" includes any of the following activities and any operations directly incident to these activities as they pertain to petroleum or gas:

(1) The discovery, development, or depletion of petroleum or gas (production);

(2) The extraction or recovery of natural gasoline or associated hydrocarbons (natural gasoline recovery);

(3) The movement, loading, or unloading of petroleum (transportation);

(4) The transportation of gas (gas transmission);

(5) The processing, reprocessing, or alteration of petroleum, including but not limited to compounding or blending (refining);

(6) The processing of material for the production of manufactured gas (manufactured gas production);

(7) The distribution or dispensing of petroleum, gas, or the products thereof, and the storage incident thereto (distribution);

and shall include for each of the above listed branches of the industries, to the extent applicable, the control of, or the investigation into more effective methods of conducting, petroleum or gas operations by means of research, technical, or control laboratories.

(e) "Material" means any raw, in-process, or manufactured commodity, equipment, component, accessory, part, assembly, or product of any kind.

(f) "Production operation" means any use of material for construction, expansion, improvement, reconstruction, remodeling, alteration, maintenance, repair, or replacement incident to production, except (1) a use of material for a gathering line for a gas or condensate

well; a crude oil gathering line connecting a lease or field shipping tank or battery where petroleum is first gaged to any other petroleum gathering or movement facility or any refinery facility; or (2) a use of material for any of the following enumerated plants or facilities where the material to be installed or added increases the rated capacity of the plant more than 500 horsepower: Vacuum plant or facilities; cycling plant or facilities; plant or facilities for the extraction or recovery of natural gasoline or associated hydrocarbons, or for other treatment, processing, or compression of natural gas.

(g) "Construction operation" means any use of material for construction, expansion, improvement, reconstruction, remodeling, alteration, maintenance, repair, or replacement incident to any branch of the petroleum and gas industries, other than production, but shall include any such use of material for the type of construction or installation which is specifically excepted from the definition of a production operation.

(h) "Maintenance and repair" means (without regard to accounting practice):

(1) The upkeep of any structure, equipment, or material in a sound working condition, or the restoration or fixing of any structure, equipment, or material which has broken down or is worn out, damaged, or destroyed.

(2) Any other use of material not exceeding in material cost \$1,000 for any one complete operation which has not been subdivided for the purpose of coming within this definition;

(3) Maintenance and repair does not include: (i) The deepening, redrilling, or plugging back of any well or the initial installation on any well of pumping or artificial lifting equipment, or (ii) any use of material in connection with a service station or retail outlet other than for upkeep or restoration purposes, or the replacement of equipment worn out and beyond repair.

(i) "Operating supplies" means any material other than material used for maintenance and repair which is essential to and consumed in the petroleum and gas industries and which is normally carried by an operator as operating expense or which is normally chargeable to operating expense, including among other items, chemicals, additives, and blending agents.

(j) "Laboratory equipment" means material or equipment used exclusively for the purpose of controlling, or investigating more effective methods of conducting, petroleum and gas industries operations by means of research, technical, or control laboratories. This material or equipment shall not, however, include material for use in the construction of laboratory buildings or other structures.

**SEC. 3. Scope.** Provisions of this order shall be applicable to the petroleum and gas industries in the United States, its territories and possessions. This order does not apply to tank cars, tank trucks, railroad rolling stock, tankers, barges, or other mobile marine equipment, or the construction of service stations.

#### RESTRICTIONS AND PERMISSIONS

**SEC. 4. Restrictions on use of material.** No material may be used in the petroleum and gas industries unless permission to use material is granted pursuant to the provisions of sections 5 and 6 of this order.

**SEC. 5. Permitted uses of material.**

(a) Material may be used in the petroleum and gas industries: (1) For maintenance and repair purposes, as operating supplies, or for laboratory equipment or its installation, notwithstanding any other provision in this section; (2) for any production operation, except (i) a multiunit residential building in excess of three stories and basement or (ii) a residential unit for single family occupancy where the total floor space in the unit exceeds 2,500 square feet; (3) for any construction operation in which, for any one complete operation, the total cost of controlled materials to be used is less than \$5,000, except a construction operation involving a service station; and (4) for any production or construction operation which as of May 3, 1951, has actually commenced or which has been duly authorized pursuant to the provisions of NPA Order M-4.

(b) A production or construction operation will be deemed to have commenced if there has been substantial site clearance (including demolition of buildings or structures) preliminary to the start of or incident to the proposed construction operation, or if there has actually been incorporated as a part of a construction operation a substantial quantity of material which is to be an integral and permanent part of the completed operation.

**SEC. 6. Application for authorization to use material.** (a) Where a person wants to use material in the petroleum and gas industries but cannot do so because of the preceding provisions of this order, he must make application for authorization to use material on PAD Form 26. Five copies of the form should be prepared. One copy should be retained by the applicant, and the original and three copies, together with supporting attachments, should be sent to the Petroleum Administration for Defense, Interior Building, Washington 25, D. C., Ref: M-46B.

(b) The Petroleum Administration for Defense will after review, notify the applicant whether or not permission is granted to use material in the proposed operation.

(c) Any priorities assistance needed for the operation may be requested on Form PAD 26 pursuant to NPA Order M-46.

(d) Any communications in connection with Form PAD 26 should be submitted to PAD, Ref: M-46B.

**SEC. 7. Prohibited deliveries.** No person shall accept an order for, sell, deliver, or cause to be delivered, material which he knows or has reason to believe will be used in violation of provisions of this order.

**SEC. 8. Defense against claims for damages.** No person shall be held liable for damages or penalties for any default

under contract or order which shall result directly or indirectly from compliance with any regulation or order of the National Production Authority or the Petroleum Administration for Defense (including any direction, directive, or other instruction) notwithstanding that any such regulation or order shall thereafter be declared by judicial or other competent authority invalid.

#### GENERAL

**SEC. 9. Applicability of NPA Order M-4.** Every operator shall be bound by the provisions of this order to the extent that this order is applicable to him or his operations; and except as specified herein, no operator is bound by or will be governed by the provisions of NPA Order M-4, as amended from time to time. Limitations on the construction of service stations will continue to be imposed by NPA Order M-4. Operators must make application for authority to construct a service station pursuant to the provisions of that order.

**SEC. 10. Violations.** Any person who wilfully violates any provision of this order or any other order or regulation of the National Production Authority or the Petroleum Administration for Defense, or who furnishes false information in the course of operation under this order is guilty of a crime and, upon conviction, may be punished by fine or imprisonment or both. In addition, administrative action may be taken against such person to suspend any authority to use material or any other assistance as may be rendered pursuant to the provisions of this order.

**SEC. 11. Authority.** The Petroleum Administration for Defense may, pursuant to the provisions of Delegation 13 of the National Production Authority, as amended, take additional or other action in respect to the receipt, use, delivery, or other disposition of material covered by this order.

NOTE: The reporting requirements and record-keeping requirements of this order have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

This order shall take effect on June 1, 1951.

NATIONAL PRODUCTION  
AUTHORITY,  
MANLY FLEISCHMANN,  
Administrator.

[F. R. Doc. 51-6544; Filed, June 1, 1951;  
5:00 p. m.]

[NPA Order M-47 as Amended June 1, 1951]

#### M-47—USE OF IRON AND STEEL

This order, as amended, is found necessary and appropriate to promote the national defense and is issued pursuant to the Defense Production Act of 1950. In the formulation of this order, there has been consultation with industry representatives, including trade association representatives, and consideration has been given to their recommendations.

## RULES AND REGULATIONS

NPA Order M-47 as amended May 4, May 29, and June 1 now reads as follows:

## Sec.

1. What this order does.
2. Definitions.
3. Iron and steel products to which this order applies.
4. Application of order.
5. Use of iron and steel products in consumer durable goods.
6. Exemptions.
7. Applications for adjustment or exception.
8. Records and reports.
9. Communications.
10. Violations.

AUTHORITY: Sections 1 to 10 issued under sec. 704, Pub. Law 774, 81st Cong. Interpret or apply sec. 101, Pub. Law 774, 81st Cong.; sec. 101, E. O. 10161, Sept. 9, 1950, 15 F. R. 6105, 3 CFR, 1950 Supp.; sec. 2, E. O. 10200, Jan. 3, 1951, 16 F. R. 61.

**SECTION 1. What this order does.** The purpose of this order is to limit the use of iron and steel in the manufacture and assembly of certain products.

**SEC. 2. Definitions.** As used in this order:

(a) "Person" means any individual, corporation, partnership, association, or any other organized group of persons and includes any agency of the United States or any other government.

(b) "Base period" means the 6-month period ending June 30, 1950.

(c) "Manufacture" means to put into process, machine, fabricate, or otherwise alter materials by physical or chemical means.

(d) "Conversion steel" means steel mill products which have been obtained by the consumer in consequence of the consumer or some other person having furnished, directly or indirectly, to one or more steel producers or converters, steel mill products in a less finished form such as, but not limited to, ingots, blooms, billets, slabs, rods, skelp, and hot rolled sheets in coils, for the express purpose of procuring such steel mill products.

**SEC. 3. Iron and steel products to which this order applies.** This order applies to the iron and steel products listed in table I of NPA Order M-1, as amended.

**SEC. 4. Application of order.** This order applies to persons who use iron and steel products or parts or components made wholly or partly therefrom, for purposes of manufacture or assembly, and limits the use of such materials and parts in the manufacture or assembly of certain items. This order does not apply to the production of iron and steel.

**SEC. 5. Use of iron and steel products in consumer durable goods.** (a) Subject to the exemptions stated in section 6 of this order, and unless specifically authorized in writing by the National Production Authority, no person shall use during the calendar quarter commencing on April 1, 1951, in the manufacture of any item included in list A at the end of this order, a total quantity by weight of iron and steel products in excess of 80 percent of his average quarterly use of such materials in the manufactured

item during the base period: *Provided, however,* That such use in any one month shall not exceed 40 percent of the permitted quarterly use. However, if such person manufactured one or more units of a part made wholly or partly from iron or steel products during the base period, and uses one or more purchased units of that part during said calendar quarter in any item in list A, he shall include the weight of the iron and steel products used in the manufacture of each such part, whether by himself or another, in computing his use of iron and steel products during the base period and during said calendar quarter. During the calendar quarter commencing on April 1, 1951, any person who does not use any iron and steel product in the manufacture of an item in list A, but who assembles parts made wholly or partly from such material into such item, shall not assemble a total number of units of such item in excess of 40 percent of the number of such units which he assembled during the base period.

(b) Notwithstanding the provisions of paragraph (a) of this section, subject to the exemptions stated in section 6 of this order and unless specifically authorized in writing by the National Production Authority, no person shall use during the calendar quarter commencing on April 1, 1951, in the manufacture of item 1 of group VII of list A attached hereto, a total quantity by weight of iron and steel products in excess of 78½ percent of his average quarterly use of such materials in said manufactured item during the base period: *Provided, however,* That such use in the month of June 1951 shall in no event exceed 40 percent of such permitted quarterly use. However, if such person manufactured one or more units of a part made wholly or partly from iron and steel products during the base period, and uses one or more purchased units of that part during said calendar quarter in said item 1 of group VII, he shall include the weight of the iron and steel products used in the manufacture of each such part, whether by himself or another, in computing his use of iron and steel products during the base period and during said quarter. During the calendar quarter commencing on April 1, 1951, any person who does not use any iron and steel product in the manufacture of said item, but who assembles parts made wholly or partly from such material into said item, shall not assemble a total number of units of said item in excess of 39½ percent of the number of such units which he assembled in the base period. However, nothing in this paragraph shall preclude any person from the manufacture or assembly of such item, during the months of April and May 1951, to the extent permitted by paragraph (a) of this section.

(c) Any person who during the 6-month period ending December 31, 1950, used conversion steel in the manufacture of any items included in list A at the end of this order shall, during the calendar quarter commencing on April 1, 1951, use conversion steel in the manufacture of such items to the extent stated

in this paragraph. The ratio between nonconversion steel used and the total permitted use of steel shall not exceed the ratio between nonconversion steel and total steel received by him during the 6-month period ending December 31, 1950: *Provided, however,* That in the alternative and in the event it is not practicable to determine the quantity of conversion steel used in the manufacture of items in list A, the ratio between nonconversion steel and total steel used in his total production, including all items in list A, shall not exceed the ratio between nonconversion steel and total steel received by him during said period. Any person who selects and applies either of the alternatives above stated may not subsequently apply the other alternative without the written approval of the National Production Authority.

**SEC. 6. Exemptions.** (a) The manufacture or assembly of any item in list A to fill rated orders, or to meet any mandatory order of the National Production Authority, is permitted in addition to the manufacture or assembly permitted by section 5 of this order.

(b) Section 5 shall not apply to any person whose total output of manufactured and assembled items included in list A during the calendar quarter commencing April 1, 1951, has an iron and steel content (including the estimated iron and steel content of parts and semifabricated materials purchased from others) of less than 100 short tons: *Provided, however,* (1) That no such person shall, during said quarter, use iron and steel products (not including the estimated iron and steel content of parts and semifabricated materials purchased from others) in the manufacture of items in list A a total quantity by weight of such material in excess of his average quarterly use thereof for such purposes during the base period; and (2) That any such person who does not use any iron and steel product in the manufacture of an item in list A, but who assembles parts made wholly or partly from such material into such item, shall not assemble a total number of units of such item in excess of 50 percent of the number of such units which he assembled during the base period.

**SEC. 7. Applications for adjustment or exception.** Any person affected by any provision of this order may file a request for adjustment or exception upon the ground that his business operation was commenced during or after the base period, that any provision otherwise works an undue and exceptional hardship upon him not suffered generally by others in the same trade or industry, or that its enforcement against him would not be in the interest of the national defense or in the public interest. Each request shall be in writing and shall set forth all pertinent facts and the nature of the relief sought, and shall state the justification therefor.

**SEC. 8. Records and reports.** (a) Each person participating in any transaction covered by this order shall retain in his possession for at least 2 years records of receipts, deliveries, inventories,

and use, in sufficient detail to permit an audit that determines for each transaction that the provisions of this order have been met. This does not specify any particular accounting method and does not require alteration of the system of records customarily maintained, provided such records supply an adequate basis for audit. Records may be retained in the form of microfilm or other photographic copies instead of the originals.

(b) All records required by this order shall be made available at the usual place of business where maintained for inspection and audit by duly authorized representatives of the National Production Authority.

(c) Persons subject to this order shall make such records and submit such reports to the National Production Authority as it shall require, subject to the terms of the Federal Reports Act 1942 (5 U. S. C. 139-139F).

**SEC. 9. Communications.** All communications concerning this order shall be addressed to the National Production Authority, Washington 25, D. C., Ref: M-47.

**SEC. 10. Violations.** Any person who wilfully violates any provision of this order or any other order or regulation of the National Production Authority or who wilfully conceals a material fact or furnishes false information in the course of operation under this order is guilty of a crime and, upon conviction, may be punished by fine or imprisonment or both. In addition, administrative action may be taken against any such person to suspend his privilege of making or receiving further deliveries of materials or using facilities under priority or allocation control and to deprive him of further priorities assistance.

**NOTE:** All reporting and record-keeping requirements of this order have been approved by the Bureau of the Budget in accordance with the Federal Reports Act.

This order as amended shall take effect, except as otherwise specifically stated, on June 1, 1951.

NATIONAL PRODUCTION  
AUTHORITY,  
MANLY FLEISCHMANN,  
Administrator.

#### LIST A

The items on this List A, made in whole or in part from iron and steel products or containing parts made wholly or partly from iron and steel products, are subject to the provisions of this order. (Joining hardware is not considered "parts" within the meaning of List A.) The listing following each arabic numeral shall be considered a separate item hereunder.

#### I. HOUSEHOLD FURNITURE

1. Household furniture: livingroom, dining room, kitchen, breakfast room, and bedroom furniture (excluding bed springs, mattresses, and dual purpose sleeping equipment).
2. Other household furniture, including but not limited to beach, sunroom, garden, porch, lawn furniture, and steamer chairs.
3. Household cabinets such as kitchen, wardrobe, broom, and medicine cabinets.

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#### II. OFFICE, PUBLIC BUILDING, PROFESSIONAL, BUSINESS, AND STORE FURNITURE AND FIXTURES (EXCLUDING MEDICAL, DENTAL, AND HOSPITAL SPECIALTIES)

1. Furniture and fixtures such as desks (excluding seats and desks designed for school use), bookcases, shelving, tables, stands, booths, filing cabinets, and transfer cases, including card and document cases.
2. Furniture and fixtures such as chairs, stools, benches, sofas, couches, settees, clothing racks, and costumers.
3. Restaurant furniture and fixtures, including tray stands and serving tables.
4. Theater, auditorium, stadium, and grandstand chairs and seats, ganged and single, indoor or outdoor types.
5. Barber shop and beauty shop furniture especially designed for such use, including but not limited to manicure tables, dresserettes, hydraulic, and reclining chairs, and couch units.
6. Soda fountain creamers.
7. Beer dispensing equipment and fixtures.

#### III. OFFICE, PUBLIC BUILDING, PROFESSIONAL, BUSINESS, AND STORE PARTITIONS, SHELVING, LOCKERS, AND FIXTURES (EXCLUDING MEDICAL, DENTAL, AND HOSPITAL SPECIALTIES)

1. Lockers (except especially designed and made for the armed services), partitions, and shelving.
2. Show and display cases (including wall types), show and display tables, cabinets (floor and wall types), and counters.
3. Store and office decorative and ornamental fixtures.
4. Telephone booths.

#### IV. HOUSEHOLD APPLIANCES, HOUSEHOLD MACHINES, AND HOUSEHOLD EQUIPMENT

1. Cooking stoves and ranges.
2. Small electric appliances, including but not limited to: broilers; coffee percolators and urns; heating units for coffee makers; hot plates and disc stoves; roasters; toasters; waffle irons; sandwich grills; cookers; caseroles; food mixers; juice extractors; drink mixers and whippers; hand and hair dryers; vibrators; portable electric air space heaters; electric steam radiators; flat irons, including steam irons; and immersion heaters.

3. Electric fans, 16 inches and under.
4. Floor waxing and polishing machines.
5. Portable electric lamps, including office types, such as, floor, bridge, desk, torch, table, pin-up lamps, and lamp shades.
6. Home laundry equipment, including but not limited to: clothes dryers, gas and electric; mechanical ironers and mangles; and washing machines, electric and gasoline types.
7. Refrigerators, mechanical and ice, and cabinets for household refrigerators sold separately.
8. Home and farm freezers under 13 cubic foot capacity, and cabinets for same sold separately.
9. Dish-washing machines.
10. Water softeners.
11. Automatic food and garbage disposal units.
12. Vacuum cleaners.
13. Carpet sweepers.
14. Packaged air conditioning units (window and console types)  $\frac{1}{4}$  horsepower and under.

#### V. UTENSIL AND CUTLERY

1. Pocket knives.
2. Silverware, including but not limited to: flatware, hollow ware, novelties, toilet ware, and trophies.
3. Plated ware, including but not limited to: flatware, hollow ware, novelties, toilet ware, and trophies.

4. Table and kitchen cutlery, such as all types of knives, forks, spoons, and carving sets.

#### VI. RADIO, TELEVISION, AND PHONOGRAHS

1. Radio receivers, home, portable, and broadcast band automobile receivers.
2. Radio-phonograph combinations.
3. Television receivers.
4. Radio-television receivers, television-phonograph combinations, and radio-television-phonograph combinations.
5. Phonographs and record players.

#### VII. TRANSPORTATION EQUIPMENT

1. Passenger automobiles and station wagons.
2. Motorcycles, motor scooters, motor bikes.
3. Bicycles.
4. Ships and boats, except military and commercial.
5. Aircraft, except military and commercial.

#### VIII. MISCELLANEOUS ITEMS

1. Cameras, amateur box type still picture, fixed focus (except reflex), and 8-mm. motion picture cameras and projectors.
2. Coin operated scales and automatic merchandising machines.
3. Games, toys, and children's vehicles.
4. Jewelry, novelties, ornaments, and jewelry cases.
5. Lawn mowers, rollers, seeders, and tampers.
6. Musical instruments.
7. Pianos and organs.
8. Paper weights, desk and document trays, and letter openers.
9. Smokers' articles such as ash trays; cigar, cigarette, and match cases; and holders, lighters, pipe cleaners, and smoking stands.
10. Venetian blinds, shades, and awnings.
11. Fireplace fixtures and equipment such as dampers, irons, and fire screens.
12. Sporting and athletic goods.
13. Morticians' goods and equipment such as caskets, coffins, vaults, liners, but excluding wooden coffin hardware, instruments, and supplies.
14. Coin or slug operated gambling, amusement, or musical devices or machines.
15. Signs and advertising displays.
16. Mirror and picture frames.
17. Wire garment hangers.

#### IX. ACCESSORIES

Accessories for any single item in this list A shall constitute a separate item for the purposes of this order, and shall also be an item separate from the item to which it is an accessory.

An "accessory" shall mean any product used with or attachable to an item described in this list A and which is generally known in the trade as an "accessory."

[F. R. Doc. 51-6545; Filed, June 1, 1951; 5:00 p. m.]

[Amendment No. 1 to NPA Order M-47, as Amended June 1, 1951]

#### M-47—USE OF IRON AND STEEL

This amendment is found necessary and appropriate to promote the national defense and is issued pursuant to the Defense Production Act of 1950. In the formulation of this amendment, there has been consultation with industry representatives, including trade association representatives, and consideration has been given to their recommendations. However, consultation with representatives of all trades and industries affected has been rendered impracticable due to the necessity for immediate action and

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because the order affects a large number of different trades and industries.

This amendment affects NPA Order M-47, as amended, as follows:

A. Paragraph (b) of section 2 is amended to read as follows:

(b) "Base period" means the 6-month period ending June 30, 1950, except as otherwise provided in section 7 of this order.

B. Paragraphs (e), (f), and (g) are added to section 2 providing respectively as follows:

(e) "Third quarter" means the calendar quarter commencing July 1, 1951.

(f) "Item" means the various products included in the listing following each Arabic numeral in list A attached hereto.

(g) "Part" means any part made wholly or partly from an iron and steel product within the meaning of "iron and steel product" indicated in section 3, and includes partially fabricated material which has lost its identity as an iron and steel product.

C. Section 5 shall be deleted and the following substituted therefor:

**SEC. 5. Use of iron and steel products in consumer durable goods.** Subject to the exemptions stated in section 6 of this order, or unless specifically authorized in writing by the National Production Authority, the following provisions shall apply to the use of iron and steel products and parts in consumer durable goods:

(a) No person shall use during the third quarter, in the manufacture of any item, a total quantity by weight of iron and steel products in excess of 70 percent of his average quarterly use of such materials in the manufactured item during the base period. However, if such person used an iron and steel product in the manufacture of one or more units of a part for an item during the base period, and uses one or more purchased units of that part during the third quarter in such item, he shall include the weight of the iron and steel products used in the manufacture of each such part, whether by himself or another, in computing his use of iron and steel products during the base period and during the third quarter. Paragraph (b) of this section shall also apply to any person subject to this paragraph, to the extent that he assembles in his manufactured item purchased parts which he did not manufacture in the base period.

(b) Except as provided in the last sentence of paragraph (a) of this section, any person who uses purchased parts in the assembly of an item during the third quarter shall, as to such item, comply with one of the following limitations:

(1) He shall not use in excess of 70 percent of the average quarterly number of units of each such part which he used during the base period; or

(2) He shall not assemble a number of units of an item in excess of 70 percent of the average quarterly number of units of such item which he assembled during the base period; or

(3) He shall not use a quantity by weight of all such parts in excess of 70

percent of his average quarterly use of all such parts during the base period. Such weight shall be computed upon the weight of the iron and steel content of the part as used.

(c) During any month of the third quarter, no use in manufacture or rate of assembly subject to the limitations of paragraphs (a) and (b) of this section shall exceed 40 percent of the permitted quarterly use or rate of assembly.

(d) Any person who, during the 6-month period ending December 31, 1950, used conversion steel in the manufacture of any item shall, during the third quarter, use conversion steel in the manufacture of items to the extent stated in this paragraph. The ratio between nonconversion steel used and the total permitted use of steel shall not exceed the ratio between nonconversion steel and total steel received by him during the 6-month period ending December 31, 1950: *Provided, however,* That in the alternative and in the event it is not practicable to determine the quantity of conversion steel used in the manufacture of items, the ratio between nonconversion steel and total steel used in his total production, including all items, shall not exceed the ratio between nonconversion steel and total steel received by him during said 6-month period. Any person who selects and applies either of the alternatives above stated may not subsequently apply the other alternative without the written approval of the National Production Authority.

D. Section 6 shall be deleted and the following substituted therefor:

**SEC. 6. Exemptions.** (a) The manufacture or assembly of any item to fill rated orders, or to meet any mandatory order of the National Production Authority, shall be subject to the limitations of this order: *Provided, however,* That in cases where such limitations will delay or prevent the filling of such orders, application may be made for adjustment or exception pursuant to section 8 of this order.

(b) Any person, whose total output of manufactured and assembled items during the third quarter has a carbon steel or alloy steel content not in excess of the following quantities, shall be exempt from the provisions of this order as to carbon steel products or alloy steel products or both, as the case may be:

Type of products:	Amount
Carbon steel	5 short tons.
Alloy steel (except stainless steel)	1,000 pounds.

The terms "carbon steel" and "alloy steel" are used as defined in schedule I of CMP Regulation No. 1. In computing such content, there shall be included both the use of carbon steel products and alloy steel products and the estimated carbon steel and alloy steel content of parts purchased from others.

(c) Any person whose total output of manufactured and assembled items during the third quarter has an iron and steel content (including the estimated iron and steel content of parts purchased from others) of less than 100 short tons may substitute the phrase "90 percent" for the phrase "70 percent" wherever it

appears in section 5 of this order, and he shall not be subject to paragraph (d) of that section.

E. The following section shall be inserted as section 7 of the order, and the present sections 7 through 10 shall be accordingly renumbered as sections 8 through 11:

**SEC. 7. Seasonality.** Any person may at his option determine his permitted use or rate of assembly under this order by using as a base period, the 6-month period ending December 31, 1949: *Provided, however,* That such person shall then use that base period for all manufactured or assembled items.

F. List A attached to the order as amended as an appendix shall be deleted and list A attached hereto shall be substituted therefor.

G. A new section 12 is added to read as follows:

**SEC. 12. Effect on prior provisions.** Nothing contained herein shall impair or affect any provision contained in the order, as amended, which provision shall have been in effect prior to the effective date of this amendment, insofar as such provision may apply to operations during the calendar quarter commencing April 1, 1951.

(Sec. 704, Pub. Law 774, 81st Cong. Interpret or apply sec. 101, Pub. Law 774, 81st Cong.; sec. 101, E. O. 10161, Sept. 9, 1950, 15 F. R. 6105, 3 CFR 1950 Supp.; sec. 2, E. O. 10200, Jan. 3, 1951, 16 F. R. 61)

This amendment shall take effect July 1, 1951.

NATIONAL PRODUCTION AUTHORITY,  
MANLY FLEISCHMANN,  
Administrator.

## LIST A

The items on this list A, made in whole or in part from iron and steel products or containing parts made wholly or partly from iron and steel products, are subject to the provisions of this order. (Joining hardware is not considered "parts" within the meaning of list A.) The listing following each Arabic numeral shall be considered a separate item hereunder.

## I. METAL AND WOOD HOUSEHOLD FURNITURE (EXCLUDING BEDSPRINGS, MATTRESSES, AND DUAL-PURPOSE SLEEPING EQUIPMENT)

1. Household furniture predominantly of wood materials, including upholstered furniture (excluding products using less than 5 percent of iron and steel parts by weight, not including weight of joining hardware), including but not limited to living room, dining room, kitchen, breakfast room, and bedroom furniture.

2. Household furniture predominantly of metal materials, including upholstered furniture, including but not limited to beach, recreation room, kitchen, sunroom, garden, porch, and lawn furniture.

## II. OTHER FURNITURE AND FIXTURES (EXCLUDING MEDICAL, DENTAL, AND HOSPITAL SPECIALTIES, BEDSPRINGS, MATTRESSES, AND DUAL-PURPOSE SLEEPING EQUIPMENT)

Restaurant furniture and fixtures, including tray stands and serving tables.

2. Barber shop and beauty shop furniture especially designed for such use, including but not limited to manicure tables, dresserettes, hydraulic and reclining chairs, and couch units.

3. Soda fountain creamers, beer dispensing equipment.

4. All other office, commercial, or industrial furniture, including but not limited to: desks; stools; sofas; bookcases; tables; chairs; stands; booths; filing cabinets; transfer cases (including card and document cases); clothing racks; costumers; and theater, auditorium, stadium, and grandstand chairs and seats, ganged and single, indoor or outdoor types; and window boxes; but excluding seats and desks designed for school use.

#### III. PARTITIONS, SHELVING, LOCKERS, AND FIXTURES (EXCLUDING MEDICAL, DENTAL, AND HOSPITAL SPECIALTIES)

1. Lockers; partitions and shelving (excluding specially designed factory partitions and shelving); household cabinets, such as kitchen, wardrobe, broom, and medicine cabinets; and telephone booths.

2. Show and display cases (including wall types), show and display tables, and counters.

3. Store and office decorative and ornamental fixtures.

#### IV. APPLIANCES, MACHINES, AND EQUIPMENT

1. Cooking stoves, ranges, combination cooking stoves, and combination ranges (domestic).

2. Small household type electric appliances, including but not limited to: broilers; coffee percolators and urns; hot plates and disc stoves; roasters; toasters; waffle irons; sandwich grills; cookers; casseroles; food mixers; juice extractors; drink mixers and whippers; hand hair dryers; vibrators; non-industrial electric air space heaters; electric steam radiators; flat irons, including steam irons; immersion heaters; and portable electric water heaters.

3. Electric fans: desk-bracket, wall, pedestal, and floor or hassock fans 16 inches and under; attic, household, and window ventilating and kitchen exhaust fans of all sizes.

4. Floor waxing and polishing machines, vacuum cleaners and carpet sweepers (household).

5. Portable electric lamps, including office types, such as floor, bridge, desk, torch, table, pin-up lamps, and lamp shades.

6. Home laundry equipment, including but not limited to: clothes dryers (gas and electric), mechanical ironers and mangles, electric and gasoline type washing machines, and ironing boards; dishwashing machines, automatic food and garbage disposal units, and water softeners (household).

7. Household refrigerators, mechanical and ice, and cabinets for household refrigerators sold separately; home and farm freezers under 13 cubic foot capacity, and cabinets for same sold separately; bottled beverage coolers (all types); and bulk beverage dispensers (all types).

8. Packaged air conditioning units (window and console types)  $\frac{3}{4}$  horsepower and under; and dehumidifiers for home and office including self-contained types with complete refrigeration cycle.

#### V. UTENSILS AND CUTLERY

1. Pocket knives.

2. Silverware, including but not limited to: flatware, hollow ware, novelties, toilet ware, and trophies.

3. Plated ware, including but not limited to: flatware, hollow ware, novelties, toilet ware, and trophies.

4. Table and kitchen cutlery, such as all types of knives, forks, spoons, and carving sets.

#### VI. RADIO, TELEVISION, AND PHONOGRAHS

1. Radio receivers, home, portable, and broadcast band automobile receivers; radio-phonograph combinations; also radio-phonograph combinations including wire and tape recorders.

2. Television receivers; radio-television receivers; television-phonograph combination

(including combinations with wire and tape recorders); and radio-television-phonographs combination (including combinations with wire and tape recorders).

3. Phonographs and record players.

#### VII. TRANSPORTATION EQUIPMENT

1. Motorcycles, motor scooters, motor bikes.

2. Bicycles.

3. Ships and boats, except military and commercial.

4. Aircraft, except military and commercial.

#### VIII. MISCELLANEOUS ITEMS

1. Automatic merchandising machines; coin-operated scales; home bathroom scales; nonmechanical and nonelectrical beverage coolers, and musical devices or machines.

2. Games, toys, and children's vehicles not including baby carriages and strollers not of play or toy type.

3. Jewelry, novelties, ornaments, and jewelry cases.

4. Lawn mowers, rollers, seeders, and tampers.

5. Musical instruments, including equipment, stands, cases, etc.

6. Pianos and organs.

7. Paper weights; desk and document trays; letter openers; smokers' articles such as: ash trays, cigar, cigarette and match cases, holders, lighters, pipe cleaners, and smoking stands; book-ends; and calendar stands.

8. Venetian blinds, shades, and awnings.

9. Fireplace fixtures and equipment, such as dampers, irons, and fire screens.

10. Sporting and athletic goods.

11. Morticians' goods and equipment such as caskets, coffins, vaults, and liners; but excluding wooden coffin hardware, instruments, and supplies.

12. Signs and advertising displays, but excluding safety and traffic control signs and markers.

13. Mirror and picture frames.

14. Garment hangers.

15. Grocery and retail market type baskets and carts.

16. Gambling and amusement devices or machines.

#### IX. ACCESSORIES

Accessories for any single item in this list A shall constitute a separate item for the purposes of this order, and shall also be an item separate from the item to which it is an accessory.

An "accessory" shall mean any product used with or attachable to an item described in this list A and which is generally known in the trade as an "accessory."

[F. R. Doc. 51-6542; Filed, June 1, 1951; 4:59 p. m.]

[NPA Order M-50 as Amended June 5, 1951]

#### M-50—ELECTRIC UTILITIES

This order as amended is found necessary and appropriate to promote the national defense and is issued pursuant to the authority of section 101 of the Defense Production Act of 1950. In the formulation of this order, as amended, there has been consultation with industry representatives, including trade association representatives, and consideration has been given to their recommendations.

This amendment affects NPA Order M-50 as follows: It amends appendices A, B, and C, and adds appendices D, E, and F. As amended, NPA Order M-50 reads as follows:

#### ARTICLE I—GENERAL PROVISIONS

Sec.

1. What this order does.
2. Definitions.
3. Applications for adjustment or exception.
4. Records and reports.
5. Communications.
6. Violations.

#### ARTICLE II—MAINTENANCE, REPAIR, AND OPERATING SUPPLIES AND MINOR CAPITAL ADDITIONS

21. Modification of NPA Reg. 4 (MRO).
22. Quarterly MRO quotas.
23. Quantity restrictions.
24. Applications for increased MRO quotas.

#### ARTICLE III—PROGRAM MATERIALS

31. Procurement of program materials generally.
32. Major plant additions.
33. Minor requirements.
34. Form of certification.
35. Quarterly program material quotas for minor requirements.
36. Inventory restrictions.
37. Filing of forms.
38. Applications for increased program material quotas.

AUTHORITY: Sections 1 to 38 issued under sec. 704, Pub. Law 774, 81st Cong. Interpret or apply sec. 101, Pub. Law 774, 81st Cong.; sec. 101, E. O. 10161, Sept. 9, 1950, 15 F. R. 6105, 3 CFR, 1950 Supp.; sec. 2, E. O. 10200, Jan. 3, 1951, 16 F. R. 61.

#### ARTICLE I—GENERAL PROVISIONS

SECTION 1. *What this order does.* (a) This order provides rules of special application to the procurement and use of materials by electric utilities.

(b) Article II modifies the application of NPA Reg. 4 to electric utilities and supersedes any conflicting provisions in NPA Reg. 4. All the provisions of NPA Reg. 4 apply to electric utilities except as modified by this order.

(c) Article III authorizes electric utilities to apply DO-48 ratings to orders for program materials to be used in major plant additions upon DEPA approval. In addition, it provides that electric utilities may not use any program materials in major plant additions after May 1, 1951, unless authorized by DEPA. The procurement of program materials for minor requirements, that is, requirements for all purposes except use in major plant additions, is governed by a self-rating procedure. Subject to certain inventory controls and quota limitations, each electric utility is authorized to apply DO-48 (Minor) ratings to certain orders for program materials for minor requirements.

SEC. 2. *Definitions.* (a) "Electric utility" means any individual, partnership, association, corporation, governmental corporation or agency, or any organized group of persons, whether incorporated or not, located in the United States, its territories or possessions, supplying, or having facilities built for supplying electric power, directly or indirectly, for general use by the public or for use by its members. In the case of an electric utility engaged in the supply of electric power and in other activities, this order shall apply only to the procurement and use of materials required directly or indirectly for the supply of electric power.

## RULES AND REGULATIONS

(b) "DEPA" means the administrator of Defense Electric Power Administration.

(c) "Maintenance" means maintenance as defined in NPA Reg. 4, and "repair" means repair as defined in NPA Reg. 4. However, "maintenance" and "repair" include the replacement of any equipment regardless of its accounting classification, but neither "maintenance" nor "repair" includes the improvement of any plant, facility, or equipment or the replacement of material which is in sound working condition with material of a better kind, quality, design, or greater capacity.

(d) "Operating supplies" means material, other than fuel, which is consumed in the course of an electric utility's operations, except in maintenance, repair, and plant additions.

(e) "Plant addition" means the construction or installation of new facilities or the replacement of existing facilities with facilities of greater capacity. Single plant additions may not be combined or subdivided for purposes of affecting their classification as "major plant additions," as defined in this section. To assist in determining whether particular construction constitutes one, or more than one, plant addition, it shall be considered that a single plant addition consists of:

(1) Any construction of related facilities, excluding maintenance and repair work, which is completed during a continuous period of construction, not interrupted by periods of time such as months or years, except where such interruption is caused by uncontrollable forces, such as adverse weather conditions.

(2) In the case of line construction, a single continuous integrated system of lines, with necessary connected substations. (Thus, several sections of line emanating from different points on a utility's system would be several plant additions, not one plant addition.)

(f) "Major plant addition" means any plant addition constructed by an electric utility which involves one or more of the following:

(1) Line construction designed for operation at more than 15 kv where the plant addition requires more than 10,000 pounds gross weight of conductor, or

(2) Line construction designed for operation at 15 kv or less where the plant addition has a net material cost exceeding \$50,000, or

(3) Non-line construction, including but not limited to construction of or additions to generating plant, substations, or buildings, where the plant addition has a net material cost over \$50,000, except that non-line construction shall not include construction for which specific NPA authorization is required under NPA Order M-4.

(g) "Minor requirements" means electric utility requirements of program materials for all purposes (including MRO) except major plant additions, and except construction for which NPA authorization is required under NPA Order M-4.

(h) "Gross weight of conductor" means, in the case of overhead lines, the weight of conductor as installed, includ-

ing steel content in the case of conductor containing steel, without deduction for material salvaged; and in the case of underground lines the copper and aluminum content only, without deduction for material salvaged.

(i) "Line construction" means construction of both overhead and underground lines.

(j) "Net material cost" means the cost of all material, including any commodity, equipment, accessory, part, assembly, or product of any kind, incorporated in plant, less the cost of all material removed from plant, priced in accordance with the electric utility's regular accounting practice.

(k) "Inventory of program material" means all new or salvaged program material in the possession of an electric utility, unless physically incorporated in plant, without regard to its accounting classification, excluding, however:

(1) Program material specifically set aside on the effective date of this order for use in time of emergency, and replacement thereof, and

(2) Program material set aside for use in any major plant addition. Program material set aside for use in such major plant addition which will not be used in such major plant addition shall be included in inventory.

(l) "Program material" means any material which is the subject of an appendix to this order.

**Sec. 3. Applications for adjustment or exception.** (a) Any electric utility affected by any provision of this order may file a request for adjustment or exception on the ground that such provision works an undue or exceptional hardship upon such utility not suffered generally by other electric utilities, or that its enforcement against such utility would not be in the interest of national defense or in the public interest. Each request shall be in writing, shall set forth all pertinent facts and the nature of the relief sought, and shall state the justification therefor.

(b) Each such request shall be addressed to DEPA and, if approved, DEPA will grant an appropriate adjustment or exception.

**Sec. 4. Records and reports.** (a) Each electric utility participating in any transaction covered by this order shall retain in its possession for at least 2 years records of receipts, deliveries, inventories, and use, in sufficient detail to permit an audit that determines for each transaction that the provisions of this order have been met, including the amounts of quarterly quotas, the method of computation, factual justification, methods of figuring quotas, and charges against them. This does not specify any particular accounting method and does not require alteration of the system of records customarily maintained, provided such records supply an adequate basis for audit. Records may be retained in the form of microfilm or other photographic copies instead of the originals.

(b) Each electric utility shall make such further records and submit such further reports to DEPA as it shall re-

quire, subject to the terms of the Federal Reports Act of 1942 (5 U.S.C. 139-139F).

**Sec. 5. Communications.** All communications concerning this order and NPA Reg. 4, as modified by this order, and all requests for forms shall be addressed to the Defense Electric Power Administration, Department of the Interior, Washington 25, D.C.

**Sec. 6. Violations.** Any person who wilfully violates any provision of this order or any other order or regulation of NPA or who wilfully conceals a material fact or furnishes false information in the course of operation under this order is guilty of a crime and, upon conviction, may be punished by fine or imprisonment or both. In addition, administrative action may be taken against any such person to suspend his privilege of making or receiving further deliveries of materials or using facilities under priority or allocation control and to deprive him of further priorities assistance.

## ARTICLE II—MAINTENANCE, REPAIR, AND OPERATING SUPPLIES AND MINOR CAPITAL ADDITIONS

**Sec. 21. Modification of NPA Reg. 4 (MRO).** This article modifies the application of NPA Reg. 4 (MRO) to electric utilities and supersedes any conflicting provisions in NPA Reg. 4. All the provisions of NPA Reg. 4 and all other applicable orders and regulations of NPA apply to electric utilities except as modified by this order.

**Sec. 22. Quarterly MRO quotas—(a) Computation of quota.** Subject to the exclusions provided in paragraph (b) of this section, an electric utility, in computing its quarterly MRO quotas, may include all expenditures for operating supplies and for materials used for maintenance and repair, as those terms are defined in this order.

(b) *Exclusions from quota.* In computing its quarterly MRO quota, no electric utility shall include any expenditure for:

- (1) Any electric utility program material subject to Article III of this order.
- (2) Any item included in schedule A of NPA Order M-44.
- (3) Any other item costing more than \$10,000.

**Sec. 23. Quantity restrictions—(a) Charges against quota.** No electric utility shall obtain by use of the DO-97 rating any material excluded in paragraph (b) of section 22 of this order from its quarterly MRO quota, nor shall any utility charge against its quarterly MRO quota any order or receipt of such material.

(b) *Emergency excess of quota.* Subject to the restrictions of paragraph (a) of this section, if an electric utility has so far exhausted its MRO quota that an insufficient quota remains in any quarter to procure necessary material for maintenance or repair of its equipment or property, other than buildings, which is damaged or destroyed by extraordinary cause such as explosion, fire, sabotage, act of the public enemy, flood, storm or similar catastrophe, the utility may exceed its quota for that quarter to the

extent necessary to procure such emergency materials: *Provided however*, That any such excess of quota must be immediately reported, together with the reasons therefor, to DEPA.

**SEC. 24. Applications for increased MRO quotas.** An electric utility's application for an increased MRO quota, to be submitted as provided in section 3 of this order, shall show such utility's existing MRO quota, any prior adjustments thereof, the amount of increase requested, the necessity for such increase, such utility's output per quarter in kilowatt hours commencing with the first quarter of 1950, and any other information pertinent to proper evaluation of such application.

### ARTICLE III—PROGRAM MATERIALS

**SEC. 31. Procurement of program materials generally.** Subject to the quantity restrictions provided by this article, the ratings authorized by this article shall be applied to all orders for any program material, including outstanding unrated orders, scheduled for delivery in or prior to a quarter for which a program material quota or authorization is effective, and no utility shall place unrated orders for any program material scheduled for delivery in such a quarter. Accordingly, all outstanding orders for any program material, except those calling for delivery in a subsequent quarter, shall be either rated, rescheduled for delivery in a subsequent quarter, or canceled within 15 days after such material becomes subject to the provisions of this order.

**SEC. 32. Major plant additions.** In order to obtain any program material for any major plant addition, an electric utility is hereby authorized to apply the DO-48 rating to orders for the quantity of such program material specified by DEPA for that purpose. In addition, when authorized by DEPA, an electric utility may apply the DO-48 (Minor) rating to orders for any program material for major plant additions not otherwise authorized by DEPA: *Provided*, That its minor requirements quota is charged with the quantities covered by such orders: *And provided further*, That no increase of such electric utility's minor requirements quota shall thereafter be granted which would replace for use for minor requirements purposes, the quantities of materials so diverted for use in major plant additions. As to program materials already on hand, no electric utility, after June 1, 1951, shall use any such program material in a major plant addition unless such use is expressly authorized by DEPA.

**SEC. 33. Minor requirements.** Subject to the restrictions contained in sections 36 and 37 of this order, each electric utility is hereby authorized to apply DO-48 (Minor) ratings to order any program material for its minor requirements: *Provided*, That no electric utility may exceed its quota for such program material.

**SEC. 34. Form of certificate.** The DO-48 or DO-48 (Minor) rating shall be applied by placing on the orders for any program material, or on a separate piece

of paper attached thereto, the symbol "DO-48" or "DO-48 (Minor)," together with the words "Certified under NPA Order M-50." Such certification shall be signed as prescribed in section 8 of NPA Reg. 2.

**SEC. 35. Quarterly program material quotas for minor requirements.** Unless DEPA has prescribed otherwise, an electric utility may elect to use either a standard quota or an alternative quota but may not thereafter change from one quota to the other without the express approval of DEPA.

(a) **Standard quota.** An electric utility's standard quota for any program material for any calendar quarter is the percentage specified in the applicable appendix to this order of the quantity of such material which it used for minor requirements in the calendar year 1950 (or, if it operated on a fiscal year basis, in its fiscal year ending nearest to December 31, 1950).

(b) **Alternative quota.** An electric utility's alternative quota for any program material for any calendar quarter is the percentage specified in the applicable appendix to this order of the quantity of such material which it used in the corresponding calendar quarter of 1950 (or, if it operated on a fiscal year basis, in the corresponding quarter of its fiscal year ending nearest to December 31, 1950).

(c) **Quota where 1950 base inapplicable.** An electric utility not in operation throughout the year 1950 (calendar or fiscal) shall establish its standard or alternative program material quota in accordance with this section by adjusting, in direct proportion, its actual use of such program material for part of the year to an annual basis. To determine an alternative quota in such cases, the adjusted annual use may be unequally distributed among 4 quarters to reflect seasonal variations. An electric utility not in operation throughout 1950 shall report to DEPA the program material quota which it establishes in accordance with this section. If an electric utility was not in operation during any part of the year 1950 (calendar or fiscal), it may apply to DEPA for a program material quota, supplying in detail information pertinent to a proper evaluation of its application.

(d) **Special provisions.** DEPA may, by notice addressed to individual electric utilities, prescribe quarterly program material quotas for minor requirements greater or less than such utility's standard or alternative quotas.

**SEC. 36. Inventory restrictions.** No electric utility shall order any program material if, after the receipt of such program material, its inventory of such program material would be or become in excess of 25 percent of the weight of such program material which it used for its minor requirements during the year 1950 (calendar or fiscal), except that an electric utility may order for delivery in any quarter a quantity of any particular item of such program material equal to the amount by which its required use of such item in such quarter exceeds the quantity of such items which it has or will have on hand at the beginning of

such quarter. This provision shall not authorize any electric utility to exceed its quota for minor requirements.

**SEC. 37. Filing of forms.** Prior to its first application of the DO-48 (Minor) rating to an order for delivery of any program material in the second quarter of 1951 for use for minor requirements, each electric utility must file with DEPA the applicable form in the DEPA-4 series. Forms in the DEPA-4 series shall be deemed to be filed when addressed to DEPA and deposited for mailing in any United States post office.

**SEC. 38. Applications for increased program material quotas.** Each application for an increased program material quota shall contain the following information:

(a) Statement of the amount of any special authorization which the utility has received.

(b) Statement of the total amount of each program material requested to be authorized for use in minor requirements during each quarter, including the base period quota permitted by the applicable appendix to this order.

(c) Detailed statement of necessity for larger quota, and

(d) Any additional information which may be pertinent to proper evaluation of the application.

**NOTE:** All reporting and record-keeping requirements of this order have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

This order as amended shall take effect on June 5, 1951.

NATIONAL PRODUCTION  
AUTHORITY,  
MANLY FLEISCHMANN,  
Administrator.

### APPENDIX A—ALUMINUM CONDUCTOR

**1. Definition.** "Aluminum conductor" means any wire, cable, or bus bar which contains aluminum. Aluminum conductor shall be measured in terms of gross weight of conductor for purposes of computing second quarter minor requirements quotas and charges against such quotas. For the third and subsequent quarters, aluminum conductor shall be measured in terms of the net weight of aluminum content for purposes of computing minor requirements quota and charges against such quotas. Electric utilities may rate orders for aluminum conductor for delivery in the third quarter in the same manner as orders for delivery in the second quarter.

**2. Aluminum conductor quotas for minor requirements for second quarter.**

Standard quota: 20 percent.

Alternative quota: 80 percent.

**3. Aluminum conductor quotas for minor requirements for third quarter.**

Standard quota: 12½ percent.

Alternative quota: 50 percent.

**4. Exemption from quantity restrictions.** The quantity restrictions applicable to aluminum conductor shall not apply to any electric utility which orders for delivery in any calendar quarter a gross weight of aluminum conductor which does not exceed 5,000 pounds.

**5. Applicable forms.** The form which an electric utility is required to file prior to its first application of the DO-48 (Minor) rating to an order for aluminum conductor as provided in section 37 of this order is Form DEPA-4A.

## RULES AND REGULATIONS

**6. Effect on NPA Order M-7.** The provisions of this order supersede NPA Order M-7 with respect to the procurement and use of aluminum conductor by electric utilities. The use by electric utilities of forms and shapes of aluminum listed in section 3 of NPA Order M-7, other than aluminum conductor and aluminum conductor accessories, remains subject to the restrictions of NPA Order M-7.

## APPENDIX B—ALUMINUM CONDUCTOR ACCESSORIES

**1. Definition.** "Aluminum conductor accessories" means any accessories containing aluminum or steel, such as clamps, twisting sleeves, and armor rods, which are used for the installation of aluminum conductor.

**2. Quantity authorized for major plant additions.** Each electric utility which has been authorized to order aluminum conductor for delivery in the second or third quarter of 1951 for use in any major plant addition, as provided in section 32 of this order, is hereby authorized to order for delivery in such quarter the quantity of aluminum conductor accessories necessary for use in connection with such aluminum conductor, and is authorized to apply the DO-48 rating to such orders.

**3. Quantity authorized for minor requirements.** There are no quotas applicable to the procurement of aluminum conductor accessories. Each electric utility is authorized to apply DO-48 (Minor) ratings to orders for the quantity of aluminum conductor accessories necessary for use in connection with the aluminum conductor which such electric utility is authorized to order for its minor requirements for delivery in any quarter and for such additional quantity which it requires for use in such quarter in maintenance and repair. No electric utility may order for delivery in any quarter a quantity of aluminum conductor accessories for minor requirements which exceeds the quantity authorized in this paragraph.

**4. Effect on NPA Order M-7.** The provisions of this order supersede NPA Order M-7 with respect to the procurement and use of aluminum conductor accessories by electric utilities. The use by electric utilities of forms and shapes of aluminum listed in section 3 of NPA Order M-7, other than aluminum conductor and aluminum conductor accessories, remains subject to the restrictions of NPA Order M-7.

**5. Filing of forms not required.** No forms are required to be filed prior to application of the DO-48 (Minor) rating to orders for aluminum conductor accessories.

**6. Extension of ratings.** The DO-48 and DO-48 (Minor) ratings shall not be extended by manufacturers of accessories so long as such manufacturers are permitted under NPA Order M-44 to apply the DO-45 rating to order materials for manufacturing aluminum conductor accessories.

## APPENDIX C—COPPER

**1. Definition.** (a) "Copper wire mill product" means bare wire, insulated wire and cable whatever the outer protective coverings may be, and uninsulated wire and cables, where the conductors are made from copper, copper-base alloy, or copper-clad steel containing over 20 percent copper by weight. All copper wire mill products should be measured in terms of pounds of copper content. Accordingly, minor requirements quotas and charges against such quotas must be computed on the basis of net weight of copper.

(b) "Brass mill product" means sheet, including strip and plate; rod, including bars, and extruded shapes; wire; or tube, including pipe, made from copper or copper-base alloy. This does not include copper wire mill products.

(c) "Foundry products" means cast copper and copper-base alloy shapes or forms

suitable for ultimate use without remelting, rolling, drawing, extruding, or forging. (Includes the removal of gates, risers, and sprues, and sandblasting, tumbling, or dipping, but excludes any further machining or processing.)

**2. Copper wire mill products, brass mill products, and foundry products quotas for minor requirements for second quarter.**

Standard quota: 18½ percent.

Alternative quota: 75 percent.

**3. Copper wire mill products, brass mill products, and foundry products quotas for minor requirements for third quarter.**

Standard quota: 18½ percent.

Alternative quota: 75 percent.

**4. Exemption from quantity restrictions.**

The quantity restrictions applicable to copper wire mill products, brass mill products, and foundry products shall not apply to any electric utility which orders for delivery in any calendar quarter a quantity of copper wire mill products, brass mill products, and foundry products which does not exceed 5,000 pounds in the aggregate.

**5. Applicable forms.** The form which an electric utility is required to file prior to its first application of the DO-48 (Minor) rating to an order for copper wire mill products, brass mill products, and foundry products, as provided in section 37 of this order, is Form DEPA-4C.

**6. Effect on NPA Order M-12.** This order supersedes NPA Order M-12 with respect to procurement and use by electric utilities of copper wire mill products, brass mill products, and foundry products.

## APPENDIX D—CARBON STEEL

**1. Definition.** "Carbon steel" means carbon steel, including wrought iron, in the forms and shapes indicated in schedule 1 of CMP Regulation No. 1.

**2. No carbon steel quotas for minor requirements for second quarter.** Notwithstanding the provisions of section 33 of this order, no electric utility may apply DO-48 (Minor) ratings to orders for minor requirements of carbon steel for delivery in the second quarter.

**3. Carbon steel quotas for minor requirements for third quarter.**

Standard quota: 18½ percent.

Alternative quota: 75 percent.

## APPENDIX E—ALLOY STEEL (EXCEPT STAINLESS STEEL)

**1. Definition.** "Alloy steel" means alloy steel in the forms and shapes indicated in schedule 1 of CMP Regulation No. 1.

**2. No alloy steel quotas for minor requirements for second quarter.** Notwithstanding the provisions of section 33 of this order, no electric utility may apply DO-48 (Minor) ratings to orders for minor requirements of alloy steel for delivery in the second quarter.

**3. Alloy steel quotas for minor requirements for third quarter.**

Standard quota: 18½ percent.

Alternative quota: 75 percent.

## APPENDIX F—STAINLESS STEEL

**1. Definition.** "Stainless steel" means stainless steel in the forms and shapes indicated in schedule 1 of CMP Regulation No. 1.

**2. No stainless steel quotas for minor requirements for second quarter.** Notwithstanding the provisions of section 33 of this order, no electric utility may apply DO-48 (Minor) ratings to orders for minor requirements of stainless steel for delivery in the second quarter.

**3. Stainless steel quotas for minor requirements for third quarter.**

Standard quota: 18½ percent.

Alternative quota: 75 percent.

[F. R. Doc. 51-6580; Filed, June 4, 1951;  
11:35 a.m.]

[NPA Order M-67]

## M-67—ALUMINUM FOIL IN CONTAINERS OR PACKAGING MATERIAL

This order is found necessary and appropriate to promote the national defense and is issued pursuant to section 101 of the Defense Production Act of 1950. In the formulation of this order there has been consultation with industry representatives, including trade association representatives, and consideration has been given to their recommendations. However, consultation with representatives of all trades and industries affected by the issuance of this order has been rendered impracticable by the fact that this order affects a very substantial number of different trades and industries.

## Sec.

1. What this order does.
2. Definitions.
3. Restrictions on amount of aluminum foil that may be used in containers and packaging material.
4. Other restrictions.
5. Exceptions.
6. Applications for adjustment or exception.
7. Records and reports.
8. Communications.
9. Violations.

AUTHORITY: Sections 1 to 9 issued under sec. 704, Pub. Law 774, 81st Cong. Interpret or apply sec. 101, Pub. Law 774, 81st Cong.; sec. 101, E. O. 10161, Sept. 9, 1950, 15 F. R. 6105, 3 CFR, 1950 Supp.; sec. 2, E. O. 10200, Jan. 3, 1951, 16 F. R. 61.

**SECTION 1. What this order does.** This order places restrictions upon the use of aluminum foil in rigid or flexible containers, wrappers, bags, and envelopes. Schedule I appearing at the end of this order specifies quantity limitations in such use of aluminum foil. These limitations vary according to the product to be packaged. NPA Order M-7, as amended, permits the use of aluminum for such purposes in accordance with the terms of this order. NPA Order M-26, as amended, regulates the use of aluminum foil for aluminum can liners and other packaging closures.

**SEC. 2. Definitions.** As used in this order:

- (a) "Aluminum foil" means aluminum rolled to a thickness of 0.005 inch or less.
- (b) "Base period" means the 6-month period ending December 31, 1950.
- (c) "Container or packaging material" means any rigid or flexible container, wrapper, bag, or envelope, made in whole or in part of aluminum foil.

(d) "Manufacture" means to put into process or otherwise fabricate or alter aluminum foil by physical means.

(e) "Person" means any individual, corporation, partnership, association, or any other organized group of persons, and includes any agency of the United States Government or any other government.

**SEC. 3. Restrictions on amount of aluminum foil that may be used in containers and packaging material.** Subject to the exceptions in section 5 of this order, no person shall use a greater quantity by weight of aluminum foil in any one month, beginning with the month of June 1951, in the manufacture of any

container or packaging material for any particular class of product than that quantity by weight of aluminum foil determined by applying the percentage listed in column 2 of schedule I opposite that particular class of product against the average monthly quantity by weight of aluminum foil which he used in the manufacture of containers or packaging material for that particular class of product during the base period. In computing such average monthly quantity, a person shall exclude the quantity by weight of aluminum foil which he used during the base period in the manufacture of (a) containers or packaging material on orders having a DO rating, and (b) aluminum cap liners and other packaging closures.

**Sec. 4. Other restrictions.** Effective June 1, 1951:

(a) No person shall use in the manufacture of any container or packaging material a greater quantity or better grade of aluminum foil than is necessary for protective purposes.

(b) No person shall use aluminum foil in the manufacture of any container or packaging material for decorative or ornamental purposes, except to the extent permitted by NPA Order M-7 as now or hereafter amended.

(c) No person shall manufacture, sell, or deliver any container or packaging material which he knows or has reason to believe will be accepted or used in violation of this order or any other order or regulation of NPA.

**Sec. 5. Exceptions.** In addition to the use of aluminum foil authorized by section 3 of this order, there is permitted the use thereof (a) to fill orders for aluminum foil for cap liners and other packaging closures, but only in accordance with the provisions of NPA Order M-26, as now or hereafter amended, and (b) for containers or packaging material required to fill an order that is rated under the priority system established by NPA Reg. 2, or to meet any other mandatory order of NPA.

**Sec. 6. Applications for adjustment or exception.** Any person affected by any provision of this order may file a request for adjustment or exception upon the ground that his business operation was commenced during or after the base period, that any provision otherwise works an exceptional hardship upon him not suffered generally by others in the same trade or industry, or that its enforcement against him would not be in the interest of the national defense program or in the public interest. In examining requests for adjustment claiming that the public interest is prejudiced by the application of any provision of this order, consideration will be given to the requirements of the public health and safety, civilian defense, and dislocation of labor and resulting unemployment that would impair the defense program. Each request shall be in writing, shall set forth all pertinent facts and the nature of the relief sought, and shall state the justification therefor.

**Sec. 7. Records and reports.** (a) Each person participating in any transaction covered by this order shall retain

in his possession for at least 2 years records of receipts, deliveries, inventories, and use, in sufficient detail to permit an audit that determines for each transaction that the provisions of this order have been met. This does not specify any particular accounting method and does not require alteration of the system of records customarily maintained, provided such records supply an adequate basis for audit. Records may be retained in the form of microfilm or other photographic copies instead of the originals.

(b) All records required by this order shall be made available at the usual place of business where maintained for inspection and audit by duly authorized representatives of the National Production Authority.

(c) Persons subject to this order shall make such records and submit such reports to the National Production Authority as it shall require, subject to the terms of the Federal Reports Act of 1942 (5 U. S. C. 139-139F).

**Sec. 8. Communications.** All communications concerning this order shall be

addressed to National Production Authority, Washington 25, D. C., Ref: M-67.

**Sec. 9. Violations.** Any person who wilfully violates any provision of this order or any other order or regulation of NPA or who wilfully conceals a material fact or furnishes false information in the course of operation under this order is guilty of a crime and, upon conviction, may be punished by fine or imprisonment or both. In addition, administrative action may be taken against such person to suspend his privileges of making or receiving further deliveries of materials or using facilities under priority or allocation control and to deprive him of further priorities assistance.

**NOTE:** All reporting and record-keeping requirements of this order have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

This order shall take effect on June 1, 1951.

NATIONAL PRODUCTION  
AUTHORITY,  
MANLY FLEISCHMANN,  
Administrator.

SCHEDULE I—ALUMINUM FOIL IN CONTAINERS AND PACKAGING MATERIAL

Item No.	Class of product	(Column 1)	(Column 2)
		Permitted percentage of average monthly quantity by weight of aluminum foil used during the base period.	
1	Antibiotics.....		Unlimited.
2	Hygroscopic drugs.....	100 percent.	Do.
3	Medical supplies.....	90 percent.	Do.
4	Photographic films and photographic supplies requiring protection from light or humidity.....		
5	Food products for human consumption, as defined in memorandum of agreement between NPA Administrator and Administrator of Production and Marketing Administration, United States Department of Agriculture, 16 F. R. 3410, including uncooked bakery goods, but excluding food products for human consumption listed in item No. 6 of this schedule.		
6	Bakery goods (excluding uncooked goods), chewing gum, confections, ice cream, cigarettes, and tobacco.	65 percent.	Do.
7	All other uses of aluminum foil in containers or packaging material for protective purposes.		

[F. R. Doc. 51-6543; Filed, June 1, 1951; 4:59 p. m.]

[NPA Order M-68]

M-68—PASSENGER CARS

This order is found necessary and appropriate to promote the national defense and is issued pursuant to the authority granted by section 101 of the Defense Production Act of 1950. In the formulation of this order, there has been consultation with industry representatives, including trade association representatives, and consideration has been given to their recommendations.

Sec.

1. What this order does.
2. Definitions.
3. Authorized use of controlled materials.
4. Adjustment of average car usage.
5. Continued conservation of materials.
6. Use of secondary aluminum.
7. Rated orders.
8. Other orders or regulations.
9. Applications for adjustment or exception.
10. Records and reports.
11. Communications.
12. Violations.

AUTHORITY: Sections 1 to 12 issued under sec. 704, Pub. Law 774, 81st Cong. Interpret

or apply sec. 101, Pub. Law 774, 81st Cong.; sec. 101, E. O. 10161, Sept. 9, 1950, 15 F. R. 6105; 3 CFR, 1950 Supp.; sec. 2, E. O. 10200, Jan. 3, 1951, 16 F. R. 61.

**SECTION 1. What this order does.** The purpose of this order is to conserve materials required for the national defense. It limits the use of controlled materials in the manufacture of passenger cars, but it does not limit by number the units of passenger cars which may be manufactured.

**Sec. 2. Definitions.** As used in this order:

(a) "Manufacture" means to put into process, machine, fabricate, or otherwise alter controlled materials as defined in paragraph (e) of this section by physical or chemical means.

(b) "Component parts" means parts which have been processed and which have lost their identity as controlled materials.

(c) "Person" means any individual, corporation, partnership, association, or any other organized group of persons.

## RULES AND REGULATIONS

(d) "Passenger car" means any passenger vehicle (including a station wagon or a taxicab) manufactured in the United States having a seating capacity of less than 11 persons which is propelled by an internal combustion engine.

(e) "Controlled materials" means steel, copper, and aluminum in the forms and shapes indicated in schedule I of CMP Regulation No. 1.

(f) "Percentage of industry" means the percentage set forth in schedule A of this order for each person engaged in the manufacture of passenger cars.

(g) "Industry volume" means 1,200,000 passenger cars.

(h) "Average car usage" means the weight of each controlled material used by a person in the manufacture of passenger cars during the month of January 1950 divided by the number of passenger cars manufactured by him during that month, and adjusted as provided in section 4 of this order.

(i) "NPA" means National Production Authority.

**SEC. 3. Authorized use of controlled materials.** (a) No person shall use in the manufacture of passenger cars during the third calendar quarter of 1951 a quantity by weight of each controlled material in excess of the quantity of each such material determined as follows: He shall multiply the industry volume by his percentage of industry, and multiply the result thus obtained by his average car usage of each controlled material.

(b) The monthly use of any controlled material by a person engaged in the manufacture of passenger cars shall not exceed 40 percent of his authorized use of each such material during the third calendar quarter of 1951.

**SEC. 4. Adjustment of average car usage.** A person engaged in the manufacture of passenger cars who changes his method of manufacture during the third calendar quarter of 1951 by purchasing a greater or lesser proportion of component parts per passenger car than he purchased during the month of January 1950, shall make one of the following adjustments in order to compute his average car usage:

(a) If he purchases a greater proportion of component parts, he shall deduct from his average car usage of each controlled material the quantity by weight of each such material which was used in the manufacture of the additional component parts so purchased per passenger car; or

(b) If he purchases a lesser proportion of component parts, he shall add to his average car usage of each controlled material the quantity by weight of each such material he uses in the manufacture of component parts per passenger car which he no longer purchases.

**SEC. 5. Continued conservation of materials.** No person engaged in the manufacture of passenger cars who, after January 1950, made changes in the specifications thereof pursuant to or as a result of orders and regulations of NPA in order to conserve materials required for

the national defense, shall during the third calendar quarter of 1951 use a greater proportion of materials so conserved than he used on June 1, 1951. The quantity by weight of each controlled material conserved by him as a result of changes made in specifications since January 1, 1950, shall be deducted from the average car usage of the controlled material so conserved, and the quantity by weight of the substituted controlled material shall be added to the average car usage of that controlled material.

**SEC. 6. Use of secondary aluminum.** No person engaged in the manufacture of passenger cars shall use aluminum in the manufacture of passenger car engine pistons for passenger cars unless the aluminum therefor is produced from remelted aluminum scrap, and no person engaged in the manufacture of passenger cars shall purchase from another person passenger car engine pistons made of aluminum not produced from remelted aluminum scrap.

**SEC. 7. Rated orders.** The manufacture of passenger cars to fill orders that are rated under NPA Reg. 2, as amended, shall be subject to the limitations of this order: *Provided, however,* That where such limitations will delay or prevent the filling of such rated orders, applications may be made for adjustment or exception pursuant to section 9 of this order.

**SEC. 8. Other orders or regulations.** The provisions of this order do not authorize the use of any materials where such use in the manufacture of any product is prohibited by any other order or regulation of NPA, but any person may use controlled materials to the extent provided in this order in the manufacture of passenger cars, regardless of the limitations on the rate of use of such materials as stated in any other order or regulation of NPA. Orders or regulations which limit the rate of use of materials other than controlled materials remain applicable and in full force and effect. The provisions of this order are subject to the provisions of other orders of NPA which limit the specifications of a product as to material content or which control the distribution of any material, part, or product by allocation.

**SEC. 9. Applications for adjustment or exception.** Any person affected by any provision of this order may file a request for adjustment or exception upon the ground that such provision works an undue or exceptional hardship upon him not suffered generally by others in the same trade or industry, or that its enforcement against him would not be in the interest of the national defense or in the public interest. In considering requests for adjustment claiming that the public interest is prejudiced by the application of any provision of this order, consideration will be given to the requirements of the public health and safety, civilian defense, and dislocation of labor and resulting unemployment that would impair the defense program. Each request shall be in writing, shall set forth all pertinent facts and the na-

ture of the relief sought, and shall state the justification therefor.

**SEC. 10. Records and reports.** (a) Each person participating in any transaction covered by this order shall retain in his files, for at least 2 years, records of receipts, deliveries, inventory and use, in sufficient detail to permit an audit that determines for each transaction that the provisions of this order have been met. This does not specify any particular accounting method, nor does it require alteration of the system of records customarily maintained, provided the system assures an adequate basis for audit. Records may be retained in the form of microfilm or other photographic copy instead of the original.

(b) All records required by this order shall be made available at the usual place of business where maintained for inspection and audit by duly authorized representatives of NPA.

(c) Persons subject to this order shall make such records and submit such reports to NPA as it shall require, subject to the terms of the Federal Reports Act of 1942 (5 U. S. C. 139-139F).

**SEC. 11. Communications.** All communications concerning this order shall be addressed to the Motor Vehicle Division, National Production Authority, Washington 25, D. C., Ref: M-68.

**SEC. 12. Violations.** Any person who wilfully violates any provision of this order or any other order or regulation of NPA or wilfully conceals a material fact or furnishes false information in the course of operation under this order is guilty of a crime and, upon conviction, may be punished by fine or imprisonment or both. In addition, administrative action may be taken against any such person to suspend his privilege of making or receiving further deliveries of materials or using facilities under priority or allocation control and to deprive him of further priorities assistance.

**NOTE:** All reporting and record-keeping requirements of this order have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

This order shall take effect on July 1, 1951.

NATIONAL PRODUCTION  
AUTHORITY,  
MANLY FLEISCHMANN,  
Administrator.

## SCHEDULE A

The percentage of industry for each person engaged in the manufacture of passenger cars is as follows:

	Percent
Checker Cab Manufacturing Corp.	0.10
Chrysler Corp.	21.65
Crosley Motors, Inc.	.35
Ford Motor Co.	21.35
General Motors Corp.	41.35
Hudson Motor Car Co.	2.95
Kaiser-Frazer Corp.	1.55
Nash-Kelvinator Corp.	3.30
Packard Motor Car Co.	2.15
Studebaker Corp.	4.25
Willys-Overland Motors, Inc.	1.00

Total..... 100.00  
 [F. R. Doc. 51-6581; Filed, June 4, 1951;  
 11:36 a. m.]

[NPA Order M-69]

## M-69—SULFUR

This order is found necessary and appropriate to promote the national defense and is issued pursuant to the authority granted by section 101 of the Defense Production Act of 1950. In the formulation of this order there has been consultation with industry representatives and consideration has been given to their recommendations. Since there is no trade association in this industry, consultation with trade association representatives was not possible.

## Sec.

1. What this order does.
2. Definitions.
3. Relation to other NPA orders and regulations.
4. Restrictions on delivery.
5. Restrictions on use.
6. Termination of NPA authorization.
7. Exemptions.
8. Limitation on inventory.
9. Records.
10. Audit and inspection.
11. Reports.
12. Applications for adjustment or exception.
13. Communications.
14. Violations.

AUTHORITY: Sections 1 to 14 issued under sec. 704, Pub. Law 774, 81st Cong. Interpret or apply sec. 101, Pub. Law 774, 81st Cong.; sec. 101, E. O. 10161, Sept. 9, 1950, 15 F. R. 6105; 3 CFR, 1950 Supp.; sec. 2, E. O. 10200, Jan. 3, 1951, 16 F. R. 61.

**SECTION 1. What this order does.** The purpose of this order is to conserve sulfur in such manner as best to serve the interests of national defense and essential civilian production. This order prohibits the delivery of sulfur by a supplier without specific NPA authorization and restricts the amount of sulfur which may be used by any person to a percentage of his use during the base period. In addition this order requires each user of sulfur to report monthly to NPA on his use and inventory of sulfur.

**SEC. 2. Definitions.** (a) "Person" means any individual, corporation, partnership, association, or any other organized group of persons, and includes any agency of the United States or any other government.

(b) "Sulfur" means elemental sulfur (brimstone) which has been mined, recovered, or otherwise produced, of a purity of 97 percent or greater.

(c) "Supplier" means any person who produces or imports sulfur for resale or his own use.

(d) "Base period" means the year ended December 31, 1950.

(e) "NPA" means National Production Authority.

**SEC. 3. Relation to other NPA orders and regulations.** All provisions of any NPA regulation or any other NPA order which are inconsistent with this order are superseded, but in all other respects such regulations and other orders remain applicable to sulfur. DO rated orders for sulfur shall have no preference over nonrated orders therefor, but NPA may take into consideration such DO rated orders in granting authorizations to deliver sulfur pursuant to this order. NPA may from time to time issue special

directives as to delivery or use of sulfur and, unless otherwise provided therein, such directives shall prevail over the provisions of this order.

**SEC. 4. Restrictions on delivery.** (a) No supplier may deliver sulfur to any person during the calendar quarter commencing July 1, 1951, or during any calendar quarter thereafter, unless NPA has specifically authorized such delivery in writing.

(b) An application for authorization to deliver sulfur shall be made by a supplier on Form NPAF-99. An application for authorization to deliver during the calendar quarter commencing July 1, 1951, shall be filed with NPA as soon as possible. Until a supplier has received notice from NPA on Form NPAF-99, he is authorized to deliver sulfur during the quarter commencing July 1, 1951, in accordance with the schedule of deliveries which he has listed on Form NPAF-99. An application for authorization to deliver during any subsequent calendar quarter must be filed with NPA on or before the first day of the calendar month immediately preceding the calendar quarter for which authorization is sought. Authorization to deliver will be entered by NPA on a copy of Form NPAF-99, which will be returned to the applicant not less than 10 days prior to the 1st day of the calendar quarter.

**SEC. 5. Restrictions on use.** (a) Unless otherwise specifically authorized by NPA, no person shall use sulfur for any purpose during the month of June 1951, or during any calendar month thereafter, in a quantity by weight in excess of 100 percent of his average monthly use for such purpose during the base period.

(b) Where seasonal demands would make impracticable a rate of use of sulfur by a person determined by his average monthly use thereof during the base period, a special monthly or quarterly rate may be established by NPA for a specified period, on application by such person pursuant to section 12 of this order. In the case of such a special rate, the total amount of sulfur used by such person during such specified period shall in no event exceed the total amount which could be used during such specified period if the amount were determined as provided in paragraph (a) of this section.

**SEC. 6. Termination of NPA authorization.** An authorization to deliver sulfur granted under this order shall terminate at the close of the calendar month immediately following the calendar quarter for which delivery was authorized.

**SEC. 7. Exemptions.** The provisions of sections 4 and 5 of this order shall not apply to:

(a) The delivery to any one person of no more than 60 short tons of sulfur during any calendar quarter.

(b) The use by any one person of no more than 20 short tons of sulfur during any calendar month.

**SEC. 8. Limitation on inventory.** Unless specifically directed by NPA, no person may order from a supplier, for de-

livery during any calendar quarter, or accept delivery from a supplier during any calendar quarter, an amount of sulfur in excess of the amount which such person may use during such calendar quarter pursuant to section 5 of this order.

**SEC. 9. Records.** Each person participating in any transaction covered by this order shall retain in his possession for at least 2 years records of receipts, deliveries, inventories, and use, in sufficient detail to permit an audit that determines for each transaction that the provisions of this order have been met. This does not specify any particular accounting method and does not require alteration of the system of records customarily maintained, provided such records supply an adequate basis for audit. Records may be retained in the form of microfilm or other photographic copies instead of the originals.

**SEC. 10. Audit and inspection.** All records required by this order shall be made available at the usual place of business where maintained for inspection and audit by duly authorized representatives of NPA.

**SEC. 11. Reports.** (a) Every person who uses more than 20 short tons of sulfur during any calendar month shall report to NPA on or before the 28th day of the next succeeding month, commencing June 28, 1951, on Form NPAF-98, his use of sulfur during the preceding month and his inventory at the close of such month, his estimated inventory and use at the close of the month in which the report is filed, and all other information required by such form.

(b) Persons subject to this order shall make such records and submit such other reports to NPA as it shall require, subject to the terms of the Federal Reports Act of 1942 (5 U. S. C. 139-139F).

**SEC. 12. Applications for adjustment or exception.** Any person affected by any provision of this order may file with NPA a request for adjustment or exception upon the ground that his business operation was commenced during the base period or prior to the effective date of this order, that any such provision works an undue or exceptional hardship upon him not suffered generally by others in the same trade or industry, or that its enforcement against him would not be in the interest of national defense or in the public interest. In considering requests for adjustment which claim that the public interest is prejudiced by the application of any provision of this order, consideration will be given to the requirements of public health and safety, civilian defense, and dislocation of labor and resulting unemployment that would impair the defense program. Each such request shall be in writing, shall set forth all pertinent facts, the nature of the relief sought, and the justification therefor.

**SEC. 13. Communications.** All communications and reports concerning this order shall be addressed to National Production Authority, Washington 25, D. C., Ref: M-69.

## RULES AND REGULATIONS

**SEC. 14. Violations.** Any person who wilfully violates any provision of this order or any other order or regulation of NPA, or who wilfully conceals a material fact or furnishes false information in the course of operation under this order, is guilty of a crime and, upon conviction, may be punished by fine or imprisonment or both. In addition, administrative action may be taken against such person to suspend his privilege of making or receiving further deliveries of materials or using facilities under priority or allocation control and to deprive him of further priorities assistance.

**NOTE:** All reporting and record-keeping requirements of this order have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

This order shall take effect on June 1, 1951.

NATIONAL PRODUCTION AUTHORITY,  
MANLY FLEISCHMANN,  
Administrator.

**APPENDIX A — GENERAL INSTRUCTIONS FOR PREPARATION OF FORMS NPAF-98 AND NPAF-99**

1. **Where to obtain copies.** Copies of Forms NPAF-98 and NPAF-99 may be obtained at local field offices of the Department of Commerce.

2. **Time of filing.** Supplier's Form NPAF-99 must be filed with NPA on or before the first day of the calendar month immediately preceding the calendar quarter for which authorization is sought. Authorization to deliver will be entered by NPA on a copy of Form NPAF-99, which will be returned to the applicant not less than 10 days prior to the first day of the calendar quarter. Customer's Form NPAF-98 must be filed with NPA on or before the 28th day of each month. Copies of these forms will not be returned to the customer.

**FORM NPAF-99**

3. Form NPAF-99, Supplier's Schedule of Deliveries: Fill in Form NPAF-99 as indicated. If a supplier is also a consumer, he must file both Forms NPAF-98 and NPAF-99.

**FORM NPAF-98**

4. Form NPAF-98, Customer's Report of Disposition and Inventory of Sulfur: "Last Month" means the month preceding the month in which the form is filed. "Current Month" means the month in which the form is filed. File a separate form for each supplier.

**Table I—Disposition of Sulfur**

In column (1), list each disposition of sulfur according to the following categories:

- Carbon disulfide.
- Ground crude.
- Miscellaneous (specify).
- Other chemicals (specify).
- Pulp and paper.
- Resale.
- Rubber.
- Sulfuric acid.

In columns (2), (3), and (4), fill in data for each disposition listed in column (1).

**Table II—Inventory of Sulfur**

In columns (6) and (7), list the quantities of crude unprocessed sulfur only.

[F. R. Doc. 51-6547; Filed, June 1, 1951;  
5:01 p. m.]

**TITLE 32—NATIONAL DEFENSE**

**Chapter V—Department of the Army**

**Subchapter B—Claims and Accounts**

**PART 536—CLAIMS AGAINST THE UNITED STATES**

**ENLISTED MEN ABSENT WITHOUT LEAVE, DESERTERS, AND ESCAPED MILITARY PRISONERS**

Sections 536.31, 536.32, 536.33 and 536.34 are rescinded and the following §§ 536.31 and 536.32 substituted therefor:

**§ 536.31 Definitions.** The following definitions will apply for the purposes of this part (see paragraphs 164 and 165, Manual for Courts-Martial, United States, 1951, 16 F. R. 1303).

(a) **Member.** A commissioned officer, warrant officer, or enlisted member of the Army.

(b) **Absence without leave.** The status of a member subject to military law who, without proper authority, fails to go to an appointed place of duty at the time prescribed, or goes from that place, or absents himself or remains absent from his unit, organization, or other place of duty at which he is required to be at the time prescribed.

(c) **Absentee.** A member who is absent without leave.

(d) **Desertion.** Absence without leave accompanied by the intention not to return, or to avoid hazardous duty, or to shirk important service.

(e) **Military prisoner.** A prisoner, whether detained, arraigned, or sentenced, or unsentenced.

(f) **Return to military control.** The turn-over or delivery of an absentee or deserter to the military authorities authorized to receive such absentees or deserters.

(g) **Civil officer.** Civil law enforcement officer.

(h) **Citizen.** Any person whether or not a citizen of the United States, except a civil officer or a member of the uniformed services.

**§ 536.32 Payment for arrest and delivery of members absent without leave, deserters, and escaped military prisoners—(a) Services for which payment will be made.** Persons or agencies who return absentees and deserters to military control, when authorized by the appropriate military authority, will be reimbursed reasonable expenses incurred incident to the return of the absentee or deserter not to exceed \$50.

(b) **To whom paid.** The payment mentioned in paragraph (a) of this section will be made to the person or persons actually making the arrest of an absentee, a deserter, or an escaped military prisoner and the turn-over or delivery of the member arrested. If two or more persons join in performing these services payment may be made to them jointly. Payment will be made whether the absentee, deserter, or escaped military prisoner surrenders or is apprehended. Payment will not be made merely for information leading to an arrest, or for an arrest not followed

by the return of the member arrested to military control.

(c) **By whom paid.** The payments mentioned in paragraph (a) of this section will be made by disbursing officers or their class B agent officers, and will be in full satisfaction of all expenses of arresting, keeping, and delivering the absentee, deserter, or escaped military prisoner.

[AR 35-1570, May 8, 1951] (R. S. 161; 5 U. S. C. 22)

[SEAL] WM. E. BERGIN,  
*Major General, U. S. Army,*  
*Acting The Adjutant General.*

[F. R. Doc. 51-6454; Filed, June 4, 1951;  
8:47 a. m.]

**TITLE 39—POSTAL SERVICE**

**Chapter I—Post Office Department**

**PART 34—CLASSIFICATION AND RATES OF POSTAGE**

**REVISION OF RATES OF POSTAGE ON CERTAIN FOURTH-CLASS MAIL**

The Interstate Commerce Commission having been requested, on October 13, 1950, pursuant to the provision of the act of September 27, 1950, (Pub. Law 843, 81st Cong., 2d sess.) to consent to the establishment of such rate increases or other reformations (in addition to any specific increases or other reformations heretofore or hereafter authorized or prescribed by law) pursuant to the provisions of section 207 of the act of February 28, 1925, as amended (39 U. S. C. 247), as may be necessary to insure the receipt of revenue from fourth-class mail service sufficient to pay the cost of such service, and such consent having been given by the Interstate Commerce Commission in its decision dated May 11, 1951, Docket No. 30690. It is hereby ordered, That, effective October 1, 1951, §§ 34.76 and 34.77 of Title 39, Code of Federal Regulations, be amended to read as follows:

The following regulations are issued under authority of R. S. 161, 398, sec. 1, 25 Stat. 654, secs. 304, 309, 42 Stat. 24, 25, sec. 207, 43 Stat. 1067, as amended; 5 U. S. C. 22, 369, 39 U. S. C. 247, and decision of the Interstate Commerce Commission, dated May 11, 1951, Docket No. 30690.

**§ 34.76 Fourth-class postage rates by zones—(a) Local to Eighth Zone, inclusive.** On fourth-class matter (limit of weight over eight ounces to seventy pounds, limit of size one hundred inches in length and girth combined), except catalogs and similar printed advertising matter in bound form weighing more than eight ounces but not exceeding ten pounds, books, library books, publications or records furnished to a blind person under the provisions of the Act of April 15, 1937 (39 U. S. C. 293c), and except controlled circulation publications acceptance of which is authorized under the provisions of the act of July 3, 1948, sec. 203, 62 Stat. 1262 (39 U. S. C. 291b), the rate of postage shall be as

follows in the respective parcel post zones:

Zone	Local	First pound (cents)	Additional pounds (cents)
1	\$0.15	\$0.17	\$0.017
2	'17	'20	'21
3	'18	'22	'24
4	'19	'25	'28
5	'20	'27	'31
6	'22	'29	'35
7	'23	'32	'38
8	'24	'34	'42
9	'25	'37	'45
10	'27	'39	'49
11	'28	'41	'52
12	'29	'44	'56
13	'30	'46	'59
14	'32	'49	'63
15	'33	'51	'66
16	'34	'53	'68
17	'35	'56	'73
18	'37	'58	'77
19	'38	'61	'80
20	'39	'63	'84
21	'40	'65	'87
22	'42	'68	'91
23	'43	'70	'94
24	'44	'73	'98
25	'45	'75	'01
26	'47	'77	'05
27	'48	'80	'08
28	'49	'82	'12
29	'50	'85	'15
30	'52	'87	'19
31	'53	'89	'22
32	'54	'92	'26
33	'55	'94	'29
34	'57	'97	'33
35	'58	'99	'36
36	'59	'01	'40
37	'60	'04	'43
38	'62	'06	'47
39	'63	'09	'50
40	'64	'11	'54
41	'65	'13	'57
42	'67	'16	'61
43	'68	'18	'64
44	'69	'21	'68
45	'70	'23	'71
46	'72	'25	'75
47	'73	'28	'78
48	'74	'30	'82
49	'75	'33	'85
50	'76	'35	'89
51	'77	'37	'92
52	'78	'39	'96
53	'79	'42	'99
54	'82	'45	'03
55	'83	'47	'06
56	'84	'50	'10
57	'85	'53	'13
58	'86	'55	'17
59	'87	'58	'20

(b) *Parcels over 84 inches.* On parcels measuring more than 84 inches but not more than one hundred inches in length and girth combined the minimum postage charge shall be the zone charge applicable to a ten-pound parcel.  
(Sec. 204 (b), 62 Stat. 1260; 39 U. S. C. 292a)

(c) *Table of rates.* In accordance with the foregoing, postage shall be charged on such matter of the fourth class mailed for delivery within the several zones indicated in paragraphs (a) and (b) of this section as follows:

(d) *Exceptions.* (1) In the first or second zone, where the distance by the shortest regular practicable mail route in 300 miles or more, the rate shall be the same as for the third zone.

(2) Parcels weighing less than 10 pounds, and measuring more than 84 inches, but not more than 100 inches in length and girth combined, shall be subject to 10-pound rate.

(R. S. 161, 396, sec. 1, 25 Stat. 654, secs. 304, 309, 42 Stat. 24, 25, sec. 207, 43 Stat. 1067, as amended; 5 U. S. C. 22, 369, 39 U. S. C. 247)

(b) *Table of rates.* In accordance with the foregoing, postage shall be charged on catalogs and similar printed advertising matter of the fourth class in bound form having 24 or more pages and weighing more than 8 ounces but not exceeding 10 pounds, and individually addressed, as follows:

Zones							
Weight in lbs.	Local	1-2	3	4	5	6	7
1	\$0.15	\$0.17	\$0.19	\$0.21	\$0.23	\$0.25	\$0.27
2	'17	'20	'21	'24	'26	'28	'30
3	'18	'22	'24	'29	'32	'35	'37
4	'19	'25	'28	'34	'42	'48	'55
5	'20	'27	'31	'38	'46	'50	'56
6	'22	'29	'35	'43	'55	'60	'69
7	'23	'32	'38	'48	'62	'70	'79
8	'24	'34	'42	'53	'69	'82	'95
9	'25	'37	'45	'57	'75	'97	'117
10	'27	'39	'49	'62	'82	'107	'130
11	'28	'41	'52	'72	'92	'120	'140
12	'29	'44	'56	'75	'98	'130	'150
13	'30	'46	'59	'76	'102	'134	'160
14	'32	'49	'63	'81	'109	'134	'166
15	'33	'51	'66	'86	'116	'144	'176
16	'34	'53	'68	'88	'123	'153	'186
17	'35	'56	'73	'91	'129	'158	'192
18	'37	'58	'77	'97	'136	'168	'200
19	'38	'61	'80	'105	'143	'179	'215
20	'39	'63	'84	'110	'150	'190	'229
21	'40	'65	'87	'114	'156	'208	'248
22	'42	'68	'91	'119	'168	'218	'267
23	'43	'70	'94	'124	'170	'237	'278
24	'44	'73	'98	'129	'177	'236	'290
25	'45	'75	'01	'133	'183	'245	'349
26	'47	'77	'05	'138	'190	'245	'363
27	'48	'80	'08	'143	'197	'247	'377
28	'49	'82	'12	'148	'204	'273	'425
29	'50	'85	'15	'152	'210	'292	'437
30	'52	'87	'19	'157	'217	'301	'439
31	'53	'89	'22	'162	'224	'310	'447
32	'54	'92	'26	'167	'231	'319	'461
33	'55	'94	'29	'171	'244	'329	'475
34	'57	'97	'33	'176	'251	'338	'489
35	'58	'99	'36	'181	'258	'347	'517
36	'59	'01	'40	'186	'264	'353	'531
37	'60	'04	'43	'190	'264	'353	'541
38	'62	'06	'47	'195	'271	'368	'545
39	'63	'09	'50	'200	'278	'372	'559
40	'64	'11	'54	'205	'285	'384	'573
41	'65	'13	'57	'209	'291	'385	'587
42	'67	'16	'61	'214	'298	'403	'597
43	'68	'18	'64	'219	'305	'412	'607
44	'69	'21	'68	'224	'312	'421	'615
45	'70	'23	'71	'228	'318	'430	'631
46	'72	'25	'75	'233	'325	'439	'643
47	'73	'28	'78	'238	'332	'449	'654
48	'74	'30	'82	'243	'339	'458	'665
49	'75	'33	'85	'247	'345	'467	'677
50	'76	'35	'89	'252	'352	'477	'689
51	'77	'37	'92	'257	'359	'486	'700
52	'78	'39	'96	'262	'366	'495	'713
53	'79	'42	'99	'266	'372	'504	'727
54	'82	'45	'03	'268	'379	'514	'735
55	'83	'47	'06	'271	'386	'523	'746
56	'84	'50	'10	'281	'392	'532	'757
57	'85	'52	'13	'285	'398	'541	'769
58	'86	'55	'17	'290	'406	'551	'782
59	'87	'58	'20	'292	'417	'561	'795

Zones							
Pounds	Local	First and second	Third	Fourth	Fifth	Sixth	Seventh
1	Cents	Cents	Cents	Cents	Cents	Cents	Cents
2	10	11	12	13	14	15	16
3	13	14	15	16	17	18	19
4	16	17	18	19	20	21	22
5	18	19	20	21	22	23	24
6	21	22	23	24	25	26	27
7	24	25	26	27	28	29	30
8	27	28	29	30	31	32	33
9	30	31	32	33	34	35	36
10	33	34	35	36	37	38	39

(c) *Exceptions.* In the first or second zone, where the distance by the shortest regular practicable mail route is 300 miles or more, the rate shall be the same as for the third zone.

**Note:** The Interstate Commerce Commission has also consented to the establishment of zone rates on books "reflecting

ascertained service costs" and to surcharge rates for parcels carried outside of mail sacks. A study is being made to ascertain the costs of these items and pending determination thereof the present book rate of eight cents for the first pound and four cents for each additional pound will continue to be applicable and no surcharge will be imposed on parcels carried outside of mail sacks.

## RULES AND REGULATIONS

Since no increase in rates was requested with respect to library books, publications or records furnished to a blind person, or controlled circulation publications acceptance of which is authorized under the provisions of the act of July 3, 1948, sec. 203, 62 Stat. 1262 (39 U. S. C. 291 b) the present rates on such fourth-class matter will be applicable.

(R. S. 161, 396, sec. 1, 25 Stat. 654, secs. 304, 309, 42 Stat. 24, 25, sec. 207, 43 Stat. 1067, as amended; 5 U. S. C. 22, 369, 39 U. S. C. 247)

[SEAL]

J. M. DONALDSON,  
Postmaster General.

[F. R. Doc. 51-6483; Filed, June 4, 1951;  
8:51 a. m.]

Sec.	
58.55	Facilities for incubating butter samples required.
58.56	Incubation of butter samples to determine keeping quality.
58.57	Butter of known unsatisfactory keeping quality shall not be eligible for packaging with grade identification labels.

## MISCELLANEOUS

58.58	Fraud or misrepresentation.
58.59	Fraudulent grade labeling practices.
58.60	Political activity.
58.61	Report of violations.
58.62	Interfering with a grader, inspector, or sampler.
58.63	Publications.
58.64	Identification.

## DEFINITIONS

§ 58.1 *Meaning of words.* Words in the regulations in this part in the singular form shall be deemed to import the plural and vice versa, as the case may demand.

§ 58.2 *Terms defined.* For the purpose of the regulations in this part, unless the context otherwise requires, the following terms shall be construed, respectively, as follows:

(a) *Act.* "Act" means the following provisions of the Department of Agriculture Appropriation Act of 1951 (Pub. Law 759, 81st Cong.), or any future act of Congress conferring like authority:

\* \* \* For enabling the Secretary to investigate and certify, in one or more jurisdictions, to shippers and other interested parties the class, quality, and condition of cotton, tobacco, fruits, and vegetables, whether raw, dried, canned, or otherwise processed, poultry, butter, hay, and other perishable farm products when offered for interstate shipment or when received at such important central markets as the Secretary may from time to time designate, or at points which may be conveniently reached therefrom under such rules and regulations as he may prescribe, including payment of such fees as will be reasonable and as nearly as may be to cover the cost for the service rendered \* \* \*

(b) *Administration.* "Administration" means the Production and Marketing Administration of the Department.

(c) *Administrator.* "Administrator" means the Administrator of the Production and Marketing Administration of the Department, or any other officer or employee of the Department to whom there has heretofore been delegated, or to whom there may hereafter be delegated by the Administrator, the authority to act in his stead.

(d) *Applicant.* "Applicant" means an interested party who requests any grading service, appeal grading, or regrading with respect to any product.

(e) *Class.* "Class" means any subdivision of a product based on essential physical characteristics that differentiate between major groups of the same kind, species, or method of processing.

(f) *Condition.* "Condition" means any condition (including, but not being limited to, the state of preservation, cleanliness, soundness, wholesomeness, or fitness for human food) of any product which affects its merchantability.

(g) *Department.* "Department" means the United States Department of Agriculture.

## PROPOSED RULE MAKING

## DEPARTMENT OF AGRICULTURE

Production and Marketing  
Administration

## [7 CFR, Part 58]

GRADING AND INSPECTION OF DAIRY  
PRODUCTS

## NOTICE OF PROPOSED RULE MAKING

Notice is hereby given that the United States Department of Agriculture is considering the issuance, as hereinafter proposed, of revised rules governing the grading, inspection, sampling, grade labeling, and supervision of packaging of butter, cheese, and other manufactured or processed dairy products, pursuant to the authority contained in the Agricultural Marketing Act of 1946 (60 Stat. 1087; 7 U. S. C. 1621 et seq.) and the Department of Agriculture Appropriation Act of 1951 (Pub. Law 759, 81st Cong., approved September 6, 1950).

The proposed rules and regulations will supersede the currently effective provisions of Part 55 (7 CFR Part 55), insofar as applicable to butter, cheese, and other manufactured or processed dairy products thereof, since such part is comprised of rules and regulations governing the grading and inspection of both dairy and poultry products. The proposed revision of Part 55 is necessary to provide separate rules and regulations for grading and inspection of dairy products.

All persons who desire to submit written data, views, or arguments for consideration in connection with the proposed standards should file the same, in duplicate, with the Director, Dairy Branch, Production and Marketing Administration, United States Department of Agriculture, Washington 25, D. C., not later than the close of business on the 15th day after publication of this notice in the *FEDERAL REGISTER*.

The proposed rules and regulations are as follows:

## DEFINITIONS

Sec.  
58.1 Meaning of words.  
58.2 Terms defined.

## ADMINISTRATION

58.3 Authority.

## GRADING SERVICE

58.4 Kind of service.  
58.5 Where grading service is offered.  
58.6 Filing of application.

APPLICATION FOR GRADING, INSPECTION, AND  
SAMPLING

58.7 Who may obtain grading, inspection, and sampling service.  
58.8 How to make application.

Sec.	
58.9	Form of application.
58.10	Granting of application.
58.11	When application may be rejected.
58.12	When application may be withdrawn.
58.13	Authority of applicant.
58.14	Accessibility and condition of product.
58.15	Disposition of graded product.
58.16	Basis of grading service.
58.17	Order of service.
58.18	Grading certificates and sampling report forms.
58.19	Grading certificate issuance.
58.20	Disposition of grading certificates.
58.21	Advance information.

## APPEAL GRADING AND REGRADING

58.22	When appeal grading may be requested.
58.23	How to obtain appeal grading.
58.24	Record of filing time.
58.25	When an application for an appeal grading may be refused.
58.26	When an application for an appeal grading may be withdrawn.
58.27	Order in which appeal gradings are performed.
58.28	Who shall make appeal gradings.
58.29	Appeal grading certificate.
58.30	Regrading of a graded product; application for regrading of a graded product.
58.31	Regrading certificate.
58.32	Superseded certificates.

## AUTHORIZATION AND LICENSING OF GRADERS, INSPECTORS, SAMPLERS, AND SUPERVISORS OF PACKAGING

58.33	Who may be authorized or licensed.
58.34	Suspension or revocation of authority or license.
58.35	Cancellation of authority or license.
58.36	Surrender of authority or license.

## FEES AND CHARGES

58.37	Payment of fees and charges.
58.38	On a fee basis.
58.39	Fees for grading samples.
58.40	Fees for appeal grading.
58.41	Fees for additional copies of grading certificates.
58.42	Traveling expenses and other charges.
58.43	Butter and cheese grading fees.
58.44	Milk sampling fees.
58.45	Fees for laboratory analyses.
58.46	Additional charges.
58.47	On a contract basis.
58.48	Fees for grading service performed under cooperative agreement.

## MARKING, BRANDING, AND IDENTIFYING PRODUCT

58.49	Authority to use official identification.
58.50	Approval of official identification.
58.51	Information required on official identification label.
58.52	Time limit for packaging graded butter with grade identification labels.
58.53	Supervisor of packaging required.

## PREREQUISITES TO PACKAGING PRODUCTS WITH GRADE IDENTIFICATION LABELS

58.54	Packing and packaging room and equipment shall be clean and sanitary.

(h) *Grader.* "Grader" means any employee of the Department authorized by the Secretary, or any other person to whom a license has been issued by the Secretary, to investigate and certify, in accordance with the act and this part, to shippers of products and other interested parties the class, quality, and condition of such products.

(i) *Grading.* "Grading" means (1) the act of determining, according to the regulations, the class, quality, or condition of any product by examining each unit thereof or a representative sample drawn by a grader or sampler; (2) the act of issuing a grading certificate; or (3) the act of identifying, when requested by the applicant, any product by means of official identification pursuant to the act and this part.

(j) *Grading certificate.* "Grading certificate" means a statement, either written or printed, issued by a grader, pursuant to the act and this part, relative to the class, quality, and condition of products.

(k) *Grading service.* "Grading service" or "continuous inspection" means (1) any grading, in accordance with the act and the regulations, of any product; (2) continuous supervision, including quality control, in any official plant, of the preparation or packaging of any product; (3) any regrading of any previously graded product; or (4) any appeal grading of any previously graded product.

(l) *Inspector.* "Inspector" means any employee of the Department authorized by the Secretary, or any other person to whom a license has been issued by the Secretary, to inspect and certify the condition of products.

(m) *Interested party.* "Interested party" means any person financially interested in a transaction involving any grading, appeal grading, or regrading of any product.

(n) *Office of grading.* "Office of grading" means the office of any grader, sampler, or inspector.

(o) *Official identification.* "Official identification" means the symbol represented by a stamp, label, seal, mark, or other device approved by the Administrator, affixed to any product or to any container thereof, stating that the product was graded or inspected and indicating the class, quality, grade, or condition of such product.

(p) *Official plant.* "Official plant" means one or more buildings, or parts thereof, comprising a single plant in which the facilities and methods of operation therein have been approved by the Administrator as suitable and adequate for operation under inspection or grading service and in which inspection or grading is carried on in accordance with the regulations in this part.

(q) *Person.* "Person" means any individual, partnership, association, business trust, corporation, or any organized group of persons, whether incorporated or not.

(r) *Product or products.* "Product" or "products" means butter, cheese (whether natural or processed), milk, cream, milk products (whether dried,

evaporated, or condensed), and such other perishable farm products as the Secretary may hereafter designate. Such term shall also include any food product which is prepared or manufactured from any of the aforesaid products if such products constitute at least 50 percent, by weight, of all the ingredients used in the preparation or manufacture of such food product.

(s) *Quality.* "Quality" means the inherent properties of any product which determine its relative degree of excellence.

(t) *Regulations.* "Regulations" means the provision of this part.

(u) *Sampler.* "Sampler" means any employee of the Department authorized by the Secretary, to draw samples of products for grading by a grader or for lot analysis under the act and this part.

(v) *Sampling.* "Sampling" means the act of taking samples of any product for grading.

(w) *Sampling report.* "Sampling report" means a statement, either written or printed, issued by a sampler, identifying samples taken by him for grading.

(x) *Secretary.* "Secretary" means the Secretary of the Department or any other officer or employee of the Department to whom there has heretofore been delegated, or to whom there may hereafter be delegated, the authority to act in his stead.

(y) *Supervisor of packaging.* "Supervisor of packaging" means any employee of the Department authorized by the Secretary, or any other person to whom a license has been issued by the Secretary, to supervise the packaging and grade labeling of products.

#### ADMINISTRATION

§ 58.3 *Authority.* The administrator shall perform, for and under the supervision of the Secretary, such duties as the Secretary may require in the enforcement and administration of the provisions of the act and this part.

#### GRADING SERVICE

§ 58.4 *Kind of service.* Any grading service performed in accordance with this part may be for class, quality, and condition, or any combination thereof, and such service shall be subject to supervision at any time by the Administrator.

§ 58.5 *Where grading service is offered.* Any product may be graded, inspected, and sampled wherever a grader, sampler, or inspector is available and the facilities and the conditions are satisfactory for the conduct of the grading service.

§ 58.6 *Filing of application.* An application for grading, inspection, or sampling of a specified lot of any product shall be regarded as filed only when made pursuant to this part.

#### APPLICATION FOR GRADING, INSPECTION AND SAMPLING

§ 58.7 *Who may obtain grading, inspection and sampling service.* An application for grading, inspection, or sampling service may be made by any interested person, including, but not

being limited to, the United States, any State, county, municipality, or common carrier, and any authorized agent of the foregoing.

§ 58.8 *How to make application.* An application for any grading service may be made in any office of grading, or with any grader, sampler, or inspector at or nearest the place where the service is desired. Such application for service may be made orally (in person or by telephone), in writing, or by telegraph. If an application for grading service is made orally, the office of grading, grader, sampler, or inspector with whom such application is made, or the Administrator, may require that the application be confirmed in writing.

§ 58.9 *Form of application.* Each application for grading, inspecting, or sampling a specified lot of any product shall include such information as may be required by the Administrator in regard to the product and the premises where such product is to be graded, inspected, or sampled.

§ 58.10 *Granting of application.* An application for continuous inspection may be approved only with respect to an official plant.

§ 58.11 *When application may be rejected.* Any application for grading service or sampling service may be rejected by the Administrator (a) whenever the product involved is owned by, or located on the premises of, a person currently denied the benefits of the act, or (b) for noncompliance by the applicant with the act or the regulations; and each such applicant shall be notified immediately of the reasons for the rejection.

§ 58.12 *When application may be withdrawn.* An application for grading service may be withdrawn by the applicant at any time before the service is performed upon payment, by the applicant, of all expenses incurred by the Administration in connection with such application.

§ 58.13 *Authority of applicant.* Proof of the authority of any person applying for any grading service may be required in the discretion of the Administrator.

§ 58.14 *Accessibility and condition of product.* Each product for which grading service is requested shall be so conditioned and placed as to permit a proper determination of the class, quality, or condition of such product.

§ 58.15 *Disposition of graded product.* Any product, or sample thereof, which has been graded may be returned to the applicant at his request and at his expense if such request was made at the time of application for the grading service. In the event the aforesaid request was not made at the time of application for the grading service, the product or sample may be disposed of in such manner as the Administrator may approve.

§ 58.16 *Basis of grading service.* Products shall be graded in accordance with such standards, methods, and in-

## PROPOSED RULE MAKING

structions as may be issued, or approved, by the Administrator. The supervision of packaging graded products shall be in accordance with such instructions as may be issued, or approved, by the Administrator.

§ 58.17 *Order of service.* Grading service shall be performed, insofar as practicable, in the order in which applications therefor are made except that precedence may be given to any such applications which are made by the United States (including, but not being limited to, any instrumentality or agency thereof) and to any application for an appeal grading.

§ 58.18 *Grading certificates and sampling report forms.* Grading certificates (including appeal grading certificates and regrading certificates) and sampling report forms shall be issued on forms approved by the Administrator.

§ 58.19 *Grading certificate issuance.* Each grader and each inspector shall issue a grading certificate covering each product graded; but in no case shall a grader or inspector sign any certificate covering any product not graded by him.

§ 58.20 *Disposition of grading certificates.* The original of any grading certificate, issued pursuant to § 58.19, and not to exceed four copies thereof, shall, immediately upon issuance, be delivered or mailed to the applicant or person designated by him. One copy shall be filed in the office of grading serving the area in which the grading service was performed, and all other copies shall be filed in such manner as the Administrator may approve. Additional copies of any such certificate may be supplied to any interested party as provided in § 58.41.

§ 58.21 *Advance information.* Upon request of an applicant, all or part of the contents of any grading certificate issued to such applicant may be telephoned or telegraphed to him, or to any person designated by him, at applicant's expense.

## APPEAL GRADING AND REGRADING

§ 58.22 *When appeal grading may be requested.* An application for an appeal grading may be made by any interested party who is dissatisfied with any determination stated in any grading certificate, if the identity of the samples, or the product, has not been lost; and such application for an appeal grading shall be made within two days following the day on which the grading was performed. Upon approval by the Administrator, the time within which an application for an appeal grading may be made may be extended.

§ 58.23 *How to obtain appeal grading.* Appeal grading may be obtained by filing a request therefor, (a) with the Administrator, (b) with the grader or inspector who issued the grading certificate with respect to which the appeal grading is requested, (c) with the immediate superior of such grader or inspector, or (d) with the officer in charge of any office of grading. The application for appeal grading shall state the reasons therefor and may be accompanied

by a copy of the aforesaid grading certificate or any other information the applicant may have secured regarding the product, at the time of grading, from which the appeal is requested. Such application may be made orally (in person or by telephone), in writing, or by telegraph. If made orally, written confirmation may be required.

§ 58.24 *Record of filing time.* A record showing the date and hour when each such application for appeal grading is received shall be maintained in such manner as the Administrator may prescribe.

§ 58.25 *When an application for an appeal grading may be refused.* If it appears to the Administrator that the reasons for an appeal grading are frivolous or not substantial, or that the quality or condition of the products has undergone a material change since the grading from which the appeal is made, or the identical products graded cannot be made accessible for regrading, or the act or this part has not been complied with, the Administrator may refuse the applicant's request for the appeal grading; and such applicant shall be promptly notified of the reason for such refusal.

§ 58.26 *When an application for an appeal grading may be withdrawn.* An application for appeal grading may be withdrawn by the applicant at any time before the appeal grading is made upon payment, by the applicant, of all expenses incurred by the Administration in connection with such application.

§ 58.27 *Order in which appeal gradings are performed.* Appeal gradings shall be performed, insofar as practical, in the order in which applications therefor are received; and any such application may be given precedence pursuant to § 58.17.

§ 58.28 *Who shall make appeal gradings.* An appeal grading of any graded product shall be made by any grader (other than the one from whose grading the appeal is made) designated for this purpose by the Administrator; and, whenever practical, such appeal grading shall be conducted jointly by two such graders.

§ 58.29 *Appeal grading certificate.* Immediately after an appeal grading has been completed, an appeal grading certificate shall be issued showing the results of such appeal grading. Such certificate shall thereupon supersede the grading certificate for the product involved and such supersedure shall be effective as of the time of issuance of the grading certificate with respect to which the appeal is made. Each appeal grading certificate shall clearly set forth the number and the date of the grading certificate which it supersedes. The provisions of § 58.18 to § 58.21, both inclusive, shall, whenever applicable, also apply to appeal grading certificates except that copies of such appeal grading certificates shall be furnished each interested party of record.

§ 58.30 *Regrading of a graded product; application for regrading of a graded product—(a). Regrading of a graded*

*product.* Whenever the immediate superior of a grader has evidence that such grader incorrectly graded a product, such superior shall immediately make a regrading of the product.

(b) *Application for regrading of a graded product.* An application for the regrading of any previously graded product may be made at any time by any interested party; and such application shall clearly indicate the reasons for requesting the regrading. The provisions of the regulations relative to grading service shall apply to regrading service.

§ 58.31 *Regrading certificate.* Immediately after a regrading has been completed, a regrading certificate shall be issued showing the results of such regrading; and such certificate shall thereupon supersede, as of the time of issuance of the regrading certificate, the grading certificate previously issued for the product involved. Each regrading certificate shall clearly set forth the number and date of the grading certificate which it supersedes. The provisions of § 58.18 to § 58.21, both inclusive, shall, whenever applicable, also apply to regrading certificates except that copies of such regrading certificates shall be furnished each interested party of record.

§ 58.32 *Superseded certificates.* When any grading certificate is superseded in accordance with this part, such certificate shall become null and void and, after the effective time of the supersedure, shall no longer represent the class, quality, or condition of the product described therein. If the original and all copies of such superseded certificate are not delivered to the person issuing the regrading or appeal grading certificate, he shall notify such persons as he considers necessary to prevent fraudulent use of the superseded certificate.

## AUTHORIZATION AND LICENSING OF GRADERS, INSPECTORS, SAMPLERS, AND SUPERVISORS OF PACKAGING

§ 58.33 *Who may be authorized or licensed.* Any person possessing proper qualifications, as determined by an examination for competency, held at such time and in such manner as may be prescribed by the Administrator, may, (a) if an employee of the Department, be authorized by the Secretary, or (b) if not an employee, be licensed by the Secretary, as a grader, inspector, sampler, or supervisor of packaging for the performance of the applicable duties. Each prospective licensee, other than a State employee, shall, prior to the issuance of the license, procure and deliver to the Administration a surety bond, issued by such surety as may be approved by the Administrator, in the amount of \$1,000 for the proper performance of the duties of such person as a licensee under the act and this part. Each authorization, and each license, issued by the Secretary shall be countersigned by the Administrator.

§ 58.34 *Suspension or revocation of authority or license.* Pending final action by the Secretary, the Administrator may, whenever he deems such action necessary, suspend the authority or license issued to any person pursuant to this part, by giving written notice of such

suspension to such person, accompanied by a statement of the reasons therefor. Within seven days after receipt of the aforesaid notice, such person may file a written appeal with the Secretary, supported by any argument or evidence such person may wish to offer as to why his authority or license should not be suspended or revoked. After the expiration of the aforesaid seven day period and consideration of such argument and evidence, the Secretary will take such action as he deems appropriate with respect to such suspension or revocation.

**§ 58.35 Cancellation of authority or license.** Upon termination of any person's services as a grader, inspector, sampler, or supervisor of packaging, he shall surrender the authority or license, issued to him pursuant to this part, for cancellation by the Administrator.

**§ 58.36 Surrender of authority or license.** Each authority, and each license, that is suspended or revoked, or has expired, shall be surrendered by the holder thereof to his immediate superior.

#### FEES AND CHARGES

**§ 58.37 Payment of fees and charges.** (a) Fees and charges for any grading service shall be paid by the interested party, making the application for such grading service, in accordance with the applicable provisions of this section and § 58.38 to § 58.48, both inclusive; and, if so required by the grader, inspector, or sampler, such fees and charges shall be paid in advance.

(b) Fees and charges for any grading service performed by any grader, inspector, or sampler who is a salaried employee of the Department, shall, unless otherwise required pursuant to paragraph (c) of this section, be paid by the interested party making application for such grading service by check, draft, or money order payable to the Treasurer of the United States and remitted promptly to the Administration.

(c) Fees and charges for any grading service under a cooperative agreement with any State or person shall be paid in accordance with the terms of such cooperative agreement by the interested party making application for any such grading service.

**§ 58.38 On a fee basis.** (a) Unless otherwise provided herein, the fees to be charged and collected for any service (other than for an appeal grading) performed, in accordance with this part, on a fee basis shall be based on the applicable rates specified in § 58.43 to § 58.46, both inclusive.

(b) In the event the aforesaid applicable rates are deemed by the Administrator to be inadequate fully to reimburse the Administration for all costs and other items paid or incurred by the Administration in connection with such service, the fees for such service shall not be based on the rates specified in § 58.43 to § 58.46, both inclusive, but shall be based on the time required to perform such service and the travel of each grader, inspector, sampler, and supervisor of packaging at the rate of \$3.60 per hour for the time actually required.

(c) If an applicant requests that grading service be performed (1) on a

holiday, he may be charged a rate double the rate otherwise applicable, and (2) on a non-work day, he may be charged a rate one and one-half times the otherwise applicable rate.

**§ 58.39 Fees for grading samples.** The fee to be charged for the grading of each lot of samples of any product shall be based on the actual time required to perform the service and shall be at the rate of \$3.60 per hour, with a minimum charge of \$1.80 for each such lot of samples.

**§ 58.40 Fees for appeal grading.** The fees to be charged for any appeal grading shall be double the fees specified in the grading certificate from which the appeal is taken: *Provided*, That the fee for any appeal grading requested by the United States, or any agency or instrumentality thereof, shall be the same as set forth in the grading certificate from which the appeal is taken. If the result of any appeal grading discloses that a material error was made in the grading appealed from, no fee shall be required.

**§ 58.41 Fees for additional copies of grading certificates.** Additional copies of any grading certificates, other than those provided for in § 58.20, may be supplied to any interested party upon payment of a fee of \$1.50 for each set of five, or fewer copies.

**§ 58.42 Traveling expenses and other charges.** Charges may be made to cover the cost of traveling and other expenses incurred by the Administration in connection with the performance of any grading service.

**§ 58.43 Butter and cheese grading fees.** For each grading or regrading of any lot of butter, cheddar cheese, or swiss cheese, the following fees, on the basis of the net weight of such lot or the actual number of churnings of butter, vats of cheddar cheese, or wheels of swiss cheese comprising such lot, shall be applicable:

(a) When all the packages in any such lot are not individually identified by churning of butter or vat of cheddar cheese, the following fees shall be effective:

For 500 pounds or less	\$1.80
For 501 to 1,500 pounds, inclusive	2.70
For 1,501 to 3,000 pounds, inclusive	3.60
For 3,001 to 6,000 pounds, inclusive	4.50
For 6,001 to 10,000 pounds, inclusive	6.50
For 10,001 to 15,000 pounds, inclusive	8.50
For 15,001 to 20,000 pounds, inclusive	10.50
For each additional 10,000 pounds, or fraction thereof, in excess of 20,000 pounds	2.50

(b) When all the packages in any such lot are individually identified by churning of butter or vat of cheddar cheese, the following fees shall be effective:

For 5 or less churnings or vats (total weight less than 18,000 pounds)	\$2.00
For each additional churning or vat in excess of 5, an additional charge of	.30
For any lot of butter or cheddar cheese weighing at least 18,000 pounds, the minimum charge shall be	6.00

(c) When all the wheels of swiss cheese are individually identified by vat of swiss cheese, the following fees shall be effective:

For 5 or less wheels	\$2.00
For each additional wheel	.20

**§ 58.44 Milk sampling fees.** (a) For each sampling of any lot of dry milk, the following fees shall be applicable:

For 1,500 pounds or less	\$1.75
For 1,501 to 3,000 pounds, inclusive	2.50
For 3,001 to 6,000 pounds, inclusive	3.25
For 6,001 to 10,000 pounds, inclusive	4.00
For each additional 10,000 pounds, or fraction thereof, in excess of 10,000 pounds	2.00

(b) For each lot of evaporated or condensed milk, the following fees shall be applicable:

For 50 packages or less	\$1.75
For 51 to 200 packages, inclusive	2.50
For 201 to 400 packages, inclusive	3.25
For 401 to 600 packages, inclusive	4.00
For each additional 500 packages, or fraction thereof, in excess of 600 packages	1.00

**§ 58.45 Fees for laboratory analyses.** For each of the following laboratory analyses, the fee referable thereto shall be applicable except as otherwise provided in paragraph (i) of this section.

#### (a) Dry milk.

Sediment	\$0.75
Moisture	1.50
Fat	2.00
Solubility	.50
Bacteriological plate count	1.00
Titratable acidity	.50
Flavor, color	.50
Alkalinity of ash	2.00
Whey protein test, single sample	1.50
Whey protein test (for each additional sample in the same shipment)	.75

#### (b) Dry whey.

Sediment	\$0.75
Moisture	1.50
Fat	2.00
Bacteriological plate count	1.00
E. coli count	1.00
Total ash	1.50
Alkalinity of ash	2.00
Protein	2.50
Flavor, color	.50

#### (c) Evaporated milk.

Solids	\$1.50
Fat	2.00
Flavor, color, body	.50
Net weight	.50

#### (d) Sweetened condensed milk.

Solids	\$1.50
Fat	2.00
Sugar	3.00
Sediment	.75
Bacteriological plate count	1.00
Yeast and mold count	1.00
E. coli count	1.00
Net weight	.50
Flavor, color, body	.50

#### (e) Natural cheese.

Complete moisture test in duplicate	\$4.00
Fat	2.00

#### (f) Process cheese.

Moisture	\$2.00
Fat	2.00
Melting test	.50

#### (g) Butter oil (milk fat).

Moisture	\$1.50
Fat	2.00

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(h) Butter.	
Moisture, salt, and curd.....	\$1.50
Fat.....	2.00
(i) Bacteriological analyses and other specified determinations with respect to individual tests for one factor.	
Bacteriological plate count.....	\$1.50
Bacteriological direct count.....	1.50
E. Coli count.....	1.80
Yeast and mold count.....	1.80
Sediment.....	1.00
pH.....	.75
Flavor, color.....	1.00

§ 58.46 *Additional charges.* With respect to any grading service performed in a freight or express car or any other place where the entire lot of the product is not readily accessible to the grader, inspector or sampler, if the time required for the performance of such service is greater than would otherwise be required if the entire lot were readily accessible, as aforesaid, a fee of \$4.00 shall be charged in addition to the applicable rates specified in § 58.43 to § 58.45, both inclusive.

§ 58.47 *On a contract basis.* Fees to be charged and collected for any service, other than for an appeal grading, on a contract basis, shall be such as are provided in such contract. The fees to be charged for any appeal grading shall be as provided in § 58.38 to § 58.45, both inclusive.

§ 58.48 *Fees for grading service performed under cooperative agreement.* The fees to be charged and collected for any service performed under cooperative agreement shall be those provided for by such agreement.

#### MARKING, BRANDING, AND IDENTIFYING PRODUCT

§ 58.49 *Authority to use official identification.* Whenever the Administrator determines that the granting of authority to any person to package any product, graded pursuant to this part, and to use official identification, pursuant to § 58.49 to § 58.57, both inclusive, will not be inconsistent with the act and this part, he may authorize such use of official identification. Any application for such authority shall be submitted to the Administrator in such form as he may require.

§ 58.50 *Approval of official identification.* Any grade label, inspection mark, or packaging material which is to be used as official identification shall be used only in such manner as the Administrator may prescribe; and such label, inspection mark, and packaging material shall be of such form and contain such information as the Administrator may require. No grade label, inspection mark, or packaging material may be used in the identification of any graded or inspected product unless finished copies or samples of such grade label, inspection mark, and packaging material have been approved by the Administrator.

§ 58.51 *Information required on official identification label.* Each grade or inspection label which is to be used as official identification shall conspicuously

indicate the U. S. grade of the product it identifies and appropriate terminology if manufactured or processed under continuous inspection. It shall also include the appropriate phrase: "Officially graded," "Officially inspected," "Federal-State graded," or "Government graded." When required by the Administrator, the grade or inspection label shall also include all or any portion of the information set forth in paragraphs (a) and (b) of this section.

(a) The grade identification label on butter packaging material shall be stamped or perforated with the date of grading and the number of the grading certificate issued on the product.

(b) The grade or inspection label on packaging material for dairy products other than butter shall be stamped or perforated with a code number to indicate lot and date packed.

§ 58.52 *Time limit for packaging graded butter with grade identification labels.* Any lot of butter which is graded pursuant to this part may be packaged only within seven days immediately following the date of grading.

§ 58.53 *Supervisor of packaging required.* The official identification of any graded or inspected product, as provided in § 58.50 to 58.57, both inclusive, shall be done only under the supervision of a grader, inspector, or supervisor of packaging. The authority to use grade or inspection identification labels may be granted by the Administrator only to applicants who utilize the services of a supervisor of packaging in accordance with this part.

#### PREREQUISITES TO PACKAGING PRODUCTS WITH GRADE IDENTIFICATION LABELS

§ 58.54 *Packing and packaging room and equipment shall be clean and sanitary.* Each applicant who is granted the authority to package any product with a grade identification label and who operates, for such purpose, a printing and packaging room, shall maintain the room and the equipment therein in a clean and sanitary condition and, in addition, in accordance with the instructions of the Administrator.

§ 58.55 *Facilities for incubating butter samples required.* Each applicant granted the authority, as aforesaid, to package graded butter with grade identification labels shall provide and maintain a cabinet of suitable construction, equipped with temperature control, for the purpose of incubating samples of graded butter. Suitable facilities for the purpose of cleaning and sterilizing the equipment used in performing such incubation also shall be provided by such applicant.

§ 58.56 *Incubation of butter samples to determine keeping quality.* Samples of butter may be taken by a grader, pursuant to the instructions of the Administrator, from any lot of butter which is submitted for grading and packaging with grade identification labels, for the purpose of determining, by subsequent examination, whether such butter possesses satisfactory keeping quality, as determined by the grader in accordance

with such standards as the Administrator may prescribe.

§ 58.57 *Butter of known unsatisfactory keeping quality shall not be eligible for packaging with grade identification labels.* Any butter produced in a creamery whose production of butter, within 30 days prior to current grading, has shown unsatisfactory keeping quality, as evidenced by the keeping quality test pursuant to § 58.56, shall not be packaged with any grade identification label until it is determined, by the grader, that such butter possesses satisfactory keeping quality.

#### MISCELLANEOUS

§ 58.58 *Fraud or misrepresentation.* Any wilful misrepresentation or deceptive or fraudulent practice found to be made or committed by any person in connection with:

(a) The making or filing of any application for any grading service, appeal, or regrading service;

(b) The use of any grading certificate, issued pursuant to this part, or the use of any official identification;

(c) The use of the words "Government graded," "Officially graded," "Federal-State graded," or words of similar import in the labeling or advertising of any product without stating in conjunction therewith the official U. S. grade of the product;

(d) The use of any of the aforesaid words or an official identification in the labeling or advertising of any product that has not been graded pursuant to this part;

(e) The use of a facsimile form which simulates in whole or in part any official identification for the purpose of purporting to evidence the U. S. grade of any product; or

(f) Any wilful violation of the regulations or the supplementary rules and instructions issued by the Administrator; may be deemed sufficient cause for debarring such person from any or all benefits of the act after opportunity for hearing has been accorded him; and pending investigation and hearing the Administrator may direct, without hearing, that such person shall be denied the benefits of the act.

§ 58.59 *Fraudulent grade labeling practices.* The Administration will not render grading service for any person found or discovered to be wilfully using in the labeling of any product any words, numerals, letters, or facsimile form which simulates in whole or in part any identification purporting to be a grade when such product does not comply with any recognized standards in general use for such grade, and such activity may be deemed sufficient cause for debarring such person from any or all benefits of the act after opportunity for hearing has been accorded him; and pending investigation and hearing the Administrator may direct, without hearing, that such person shall be denied the benefits of the act.

§ 58.60 *Political activity.* All graders, inspectors, and samplers are forbidden during the period of their respective appointments or licenses, to take an active

part in political management or in political campaigns. Political activities in city, county, state, or national elections, whether primary or regular, or in behalf of any party or candidate, or any measure to be voted upon, is prohibited. This applies to all appointees, including, but not being limited to, temporary and cooperative employees and employees on leave of absence with or without pay. Wilful violation of this section will constitute grounds for dismissal in the case of appointees and revocation of licenses in the case of licensees.

**§ 58.61 Report of violations.** Each grader, inspector, sampler, and supervisor of packaging shall report, in the manner prescribed by the Administrator, all violations and noncompliances under the act and this part of which such grader, inspector, sampler, or supervisor of packaging has knowledge.

**§ 58.62 Interfering with a grader, inspector, or sampler.** Any further benefits of the act may be denied any applicant who either personally or through an agent or representative interferes with or obstructs, by intimidation, threats, assault, or in any other manner, a grader, inspector, or sampler in the performance of his duties.

**§ 58.63 Publications.** Publications under the act and this part shall be made in the FEDERAL REGISTER, the Service and Regulatory Announcements of the Department, and such other media as the Administrator may approve for the purpose.

**§ 58.64 Identification.** Each grader, inspector, sampler, and supervisor of packaging shall have in his possession at all times, and present upon request, while on duty, the means of identification furnished by the Department to such person.

(Pub. Law 759, 81st Cong., approved September 6, 1950)

Issued at Washington, D. C., this 29th day of May 1951.

[SEAL] CHARLES F. BRANNAN,  
Secretary of Agriculture.  
[F. R. Doc. 51-6446; Filed, June 4, 1951;  
8:46 a. m.]

#### I 7 CFR, Parts 943, 945 I

[Docket No. AO 231]

HANDLING OF MILK IN NORTH TEXAS AND WICHITA FALLS, TEX., MARKETING AREAS

NOTICE OF EXTENSION OF TIME FOR FILING EXCEPTIONS TO RECOMMENDED DECISION WITH RESPECT TO PROPOSED MARKETING AGREEMENTS AND PROPOSED ORDERS

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.) and the applicable rules of practice and procedure governing the formulation of marketing agreements and orders (7 CFR Part 900) notice is hereby given that the time for filing exceptions to the recommended decision with respect to proposed marketing agreements and

proposed orders to regulate the handling of milk in the North Texas and the Wichita Falls, Texas, marketing areas, which was issued May 11, 1951 (16 F. R. 4568) is hereby extended to June 12, 1951.

Dated: May 31, 1951, at Washington, D. C.

[SEAL] ROY W. LENNARTSON,  
Assistant Administrator.

[F. R. Doc. 51-6481; Filed, June 4, 1951;  
8:51 a. m.]

#### I 7 CFR, Part 988 I

[Docket No. AO-195-A3]

HANDLING OF MILK IN KNOXVILLE, TENN., MARKETING AREA

NOTICE OF RECOMMENDED DECISION AND OPPORTUNITY TO FILE WRITTEN EXCEPTIONS WITH RESPECT TO PROPOSED AMENDMENTS TO TENTATIVE MARKETING AGREEMENT, AND TO ORDER, AS AMENDED

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and the applicable rules of practice and procedure, as amended, governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), notice is hereby given of the filing with the Hearing Clerk of the recommended decision of the Assistant Administrator, Production and Marketing Administration, United States Department of Agriculture, with respect to proposed amendments to the tentative marketing agreement and to the order, as amended, regulating the handling of milk in the Knoxville, Tennessee, marketing area. Interested parties may file written exceptions to this decision with the Hearing Clerk, United States Department of Agriculture, Washington 25, D. C., not later than the close of business the 12th day after publication of this decision in the FEDERAL REGISTER. Exceptions should be filed in quadruplicate.

**Preliminary statement.** The hearing, on the record of which the proposed amendments, hereinafter set forth, to the tentative marketing agreement and to the order, as amended, were formulated, was conducted at Knoxville, Tennessee, on January 16-20, 1951, pursuant to notice thereof which was issued December 29, 1950 (15 F. R. 9396). A recommended decision with respect to proposed amendments to certain price and transfer provisions of the order considered at the January 1951 hearing was issued March 28, 1951 (16 F. R. 2852). The findings and conclusions with respect to the issues dealt with herein were specifically deferred pending further study and consideration.

The material issues of record remaining for consideration are concerned with the following:

- (1) An extension of the marketing area to include certain surrounding towns and places;
- (2) A change in the allocation provisions to provide for the classification of a limited quantity of producer milk as Class II milk before assigning other source milk to Class II utilization.

(3) A revision of the payment provisions of the order to incorporate a base-rating plan; and

(4) The inclusion of standard provisions pertaining to retention of records and termination of obligations.

**Findings and conclusions.** The following findings and conclusions are based upon the evidence introduced at the hearing and the record thereof:

1. The definition of the marketing area should not be changed.

The definition of the "marketing area" in conjunction with the definitions of "producer" and "handler" determine the milk to be subject to the minimum pricing provisions of the order and the milk distributors who must conform with the various order provisions.

The boundaries of the present marketing area coincide with the corporate limits of the city of Knoxville. Handlers proposed that the marketing area be defined to include in addition to the city of Knoxville, the following towns and places, all in the state of Tennessee: Morristown, Jefferson City, Dandridge, Maryville, Alcoa, Loudon, Harriman, Clinton, the county of Knox, and Oak Ridge Directed Operations.

The record indicates that the 13 handlers now subject to the order dispose of more than 35 percent of their total Class I sales outside the present marketing area. These handlers supply approximately 70 percent of the total fluid milk disposed of to consumers in Knox County, Oak Ridge Directed Operations, Alcoa and Maryville—which include approximately 80 percent of the total population of the additional areas proposed. Knoxville handlers also supply a substantial proportion of the fluid milk sales in the other towns proposed.

Knox County is densely populated; the rate of population growth in Knox County, outside the city of Knoxville, and in nearby towns has exceeded that in the city of Knoxville; and historically the entire area is considered as a natural trading area. Although the health ordinances pertaining to the sanitary requirements for the production and handling of milk in the proposed areas are similar to the ordinance in effect for the city of Knoxville and all of the ordinances are patterned after the United States Public Health Milk Ordinance and Code and bottled milk may be labeled "Grade A" in each area, there appears to be differences in the interpretation and administration of the various ordinances. With the exception of Knoxville, most of the health departments permit the sale of milk in their respective areas if it is qualified to be sold in any of the other areas including Knoxville. All milk received from producers for fluid distribution within the city limits of Knoxville, however, must be produced on farms and processed in plants holding permits issued by the Knoxville Health Department.

The principal reason given by handlers for including the above stated places in the marketing area was that purchases of milk by unregulated distributors who dispose of fluid milk in these areas in competition with Knoxville handlers, were at prices less than those required of Knoxville handlers, and that this gave

## PROPOSED RULE MAKING

unregulated distributors a competitive advantage in the procurement of milk.

This claim is not substantiated by the record. A detailed comparison of prices contained in the hearing record shows that the principal competitors in a substantial portion of the proposed area have actually paid somewhat higher prices than Knoxville handlers for that portion of their receipts devoted to fluid disposition.

Prices paid by distributors in several of the proposed areas are influenced by competition for milk from the Kingsport and Chattanooga markets as well as by the level of prices prevailing in the Knoxville market.

Dairy farmers selling milk to some of the distributors, who would be subject to regulation if the marketing area were extended, opposed an enlargement of the marketing area on the basis of an opinion that their returns would be reduced. No direct testimony was presented by Knoxville producers.

The evidence fails to show that a change in the marketing area to include any or all of the proposed towns or places is necessary to carry out the declared purpose of the act.

2. The allocation provisions of the order should not be changed.

Handlers proposed that a quantity of skim milk and butterfat derived from producer milk, equal to 5 percent of total receipts from producers be classified as Class II milk in each month that an equivalent amount of milk is disposed of in Class II uses, except that during the months of relatively rapid seasonal change in receipts 10 percent should be so classified. Under the present allocation provisions, other source milk is allocated first to Class II utilization and producer milk, less allowable shrinkage, is allocated to Class I utilization to the extent of Class I utilization for the entire month.

Handlers contended that because of variations in receipts, fluid sales and bottled milk returns some producer milk must be devoted to Class II uses in nearly all months of the year. Under the Knoxville health ordinance, Grade A condensed milk and nonfat dry milk solids may be used to supplement producer milk in Class I uses. Handlers also may, and do, maintain day-to-day revolving inventories of fluid milk in their plants. Bottled milk is not required to be dated. For these reasons the day-to-day variations in receipts and sales do not appear to result in a serious allocation problem.

Another objection to the present allocation provisions was directed to the months in which receipts usually change rather sharply from the beginning to the end of the month. During these months a handler may have more than an adequate supply of producer milk for Class I uses during part of the month and receives less producer milk than Class I sales during the other part of the month. The monthly basis of accounting has been found to be more practical than bi-monthly or a shorter accounting period. This, of course, may result in the classification of a quantity of producer milk in Class I utilization

which may not have been available for such utilization during a portion of the transition months. Handlers who are able to arrange for sufficient milk from producers to fulfill Class I utilization are not confronted with this problem. The long run intention of the regulation is to promote an adequate supply of local producer milk and the proper allocation of this supply among handlers. The present allocation provisions tends to further this intent by offering some incentive for the proper allocation of the available supplies of milk among handlers and for increasing local supplies through increased returns to local producers.

Another objection to the present method of classification and allocation appeared to be related to the method of classifying inventories rather than to the allocation provisions of the order.

For the above stated reasons, the present allocation provisions should not be changed.

3. A "base and excess" plan of distributing among producers the market returns for milk should be employed in connection with the market-wide pool now provided in the order.

There is considerable seasonal variations in the receipts of milk for the Knoxville market, with receipts in the fall and winter months considerably less than in the spring and summer months. The disposition of fluid milk and other products required to be made from approved milk is relatively uniform from season to season; however, data for the market since the promulgation of Order 88 indicate that fluid disposition has been slightly higher at the same season of the year when receipts have been at relatively low levels. Fall shortages and spring excesses result from this situation. A production pattern of milk more nearly fitted to the sales pattern of fluid milk and other fluid products should be encouraged.

Producers testified that a "base and excess" plan which provides returns to each producer related directly to his ability to deliver milk during the fall and winter seasons will encourage a more level production pattern for the market as a whole. Such a plan was widely discussed with producers before the amendment was proposed and a majority of those responding to a questionnaire survey favored such a plan. Prior to World War II some distributors paid producers on a base plan. The plan was discontinued during the war because at that time receipts of milk from local producers were not sufficient to meet market requirements at any season of the year. With the promulgation of Order 88 in 1949, seasonal pricing for producer deliveries was accomplished through seasonal class prices. Producers testified that seasonal pricing has not reduced the seasonal variation in receipts to the extent desired and the proposed base plan is necessary to encourage more even production at a faster rate.

The plan proposed by producers would establish for each producer a base quantity of milk equal to his average daily deliveries of milk during the six month period of September through February (total deliveries divided by the number

of days in this period). During these months all producers would be paid the "pool" or uniform price for all deliveries. For each of the other months separate uniform prices for base milk (that delivered by each producer up to but not in excess of his daily "base" times the number of days he delivers in the month) and excess milk would be computed so that Class I sales would be first allocated to base milk. The suggestion was made on the record that some modification of this plan be made in determining bases for producers who enter the market after September 1 but during the fall shortage months of each year. It was proposed that this be accomplished by dividing deliveries by the number of days the producer delivers milk during the base forming period or 90 days whichever is the greater.

A base plan is designed to apportion the total value of the milk purchased by all handlers among producers on the basis of their marketings of milk during a representative period of time. By the application of the base plan it is intended to provide this market with receipts of milk which is correlated with fluid uses in all seasons of the year. For these purposes the plan to be adopted may logically be designed not only to influence the production patterns of old producers but also to influence the time of the year at which new producers will enter the market.

A large degree of flexibility should be incorporated in the base plan without destroying the desired effectiveness. This may be accomplished in part by limiting the effective period of the bases to a reasonable number of months when receipts are expected to be greatest in relation to fluid sales, the establishment of new bases by each producer each year during the months of lowest production, providing for increasing the excess price during those months when Class I utilization exceeds receipts of base milk and by providing for the payment of the uniform market-wide pool price to all producers during all months except the period when bases are applicable.

The months proposed for establishing bases (September through February) appear to be those which are normally the period of lowest production, and should be used for this purpose (\$ 988.60). Payments on the base plan, however, need not be made in all other months in order for the plan to be effective. Restricting payments on the base plan to the months of April through July (\$ 988.72) will increase the flexibility of the plan and allow individual producers greater opportunity to make adjustments in their production plans. It appears desirable to exclude the months of March and August from the effective base period. Receipts of milk during March are relatively low in relation to fluid sales and the omission of this month will provide the time needed for calculating and announcing individual producers bases prior to the base effective period. Omission of August will permit new producers to enter the market or old producers to adjust their production programs immediately preceding the fall shortage months without

direct influence of the base plan during this month.

Producers who enter the market during the fall and winter months when additional milk is usually needed should be permitted to establish a base on the basis of deliveries during a portion of the base forming period. This may be accomplished without destroying equities among producers by determining such bases on the basis of the number of days in the period a new producer is on the market but in any event not less than 90 days (§ 988.60). The plan proposed herein will also permit new producers entering the market when payments are made on the base plan to share with all other producers any Class I sales in excess of deliveries of base milk. Thus a new producer will immediately share in some Class I sales if milk is needed when he enters the market in these months. Payments on a uniform price in all other months (August through March) will provide ample opportunity for new producers to enter the market to meet prospective needs (§ 988.71).

It is necessary to provide certain rules in connection with the establishment and transfer of bases to provide reasonable administrative workability of the plan (§ 988.61). To accomplish this purpose and to preserve the effectiveness of the base plan, transfers of bases should be limited to entire bases of producers who may retire from farming, in cases of death and of joint production arrangements such as landlord-tenant relationships. Since the base plan is effective in determining producer payments in only four of the twelve months of each year, and all producers must establish a new base each year, provisions in addition to those contained herein for the establishment and transfer of bases or to meet unusual situations are not needed.

In order to incorporate the base plan in the order, additional sections also are needed to define base and excess milk (§§ 988.15 and 988.16) and to provide for the announcement of established bases by the market administrator prior to the months bases are applied (§ 988.62). Several conforming changes are necessary in the order provisions relative to reports by handlers, and the computation and announcement of uniform prices by the market administrator. Conforming changes have been made in the following sections of the attached amended order: §§ 988.30 (a) (1) (i), 988.31 (a), 988.73, 988.80, 988.82, 988.83 and 988.85.

4. The order should provide for a limit on the time records must be retained by handlers and for the termination of obligations under the order.

Handlers proposed that the standard provision heretofore incorporated in other milk marketing orders for the "Retention of Records" and "Termination of Obligations" be incorporated in Order 88.

Handlers must retain records in order to prove the utilization of milk and the payments made to producers. It is necessary that these records be kept for a substantial period of time since some

transactions are not completed and audited until several months after the milk has been received from producers. Detailed records of this kind soon reach large physical proportions and become burdensome. The order should provide a definite time period within which handlers must maintain their records and after which they will be relieved of so doing. A period of three years is considered necessary and reasonable. If litigation is in progress, however, it may be necessary to require records to be retained for a longer period and provision should be made for this contingency (§ 988.33).

Without a provision for the termination of obligations handlers may file claims which might extend back over many years and which may be in substantial amounts. This creates uncertainties which would endanger the stability of the market and lead to serious inequities. The order should provide that any obligation to pay a handler shall terminate two years after the month in which the milk was received if an underpayment is claimed, or within two years after payment was made if a refund is claimed, unless within such period of time the handler files a petition pursuant to section 8c (15) (A) of the act, claiming such money (§ 988.89). Handlers also need the protection of provisions terminating their obligations to make payments. Since handlers cannot be forewarned always as to contingent liabilities it is extremely difficult and burdensome for them to make adequate provisions therefor by setting up reserves or by taking other precautionary measures (§ 988.89). The obligation of any handler to pay money should, except under certain extraordinary conditions, such as litigation, terminate two years after the last day of the month during which the market administrator receives the handler's report of utilization of the milk involved in such obligation, unless within such two-year period the market administrator notifies the handler in writing that such money is due and payable.

It is concluded that in general a period of two years is a reasonable time within which a market administrator should complete his auditing and inspection work and render any billings for money due under the order. Provisions are necessary also to meet such contingencies as failure of the handler to submit required books and records and to deal with situations where fraud or willful concealment of information may be involved (§ 988.89).

5. General. (a) The proposed marketing agreement and the order, as amended, and as hereby proposed to be further amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the act;

(b) The proposed marketing agreement and the order, as amended, and as hereby proposed to be further amended, regulates the handling of milk in the same manner and is applicable only to persons in the respective classes of industrial and commercial activity specified in the marketing agreement upon which a hearing has been held; and

(c) The parity prices of milk as determined pursuant to section 2 of the act are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply and demand for milk in the said marketing area, and the minimum prices specified in the proposed marketing agreement and in the order, as amended, and as hereby proposed to be further amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest.

*Rulings on proposed findings and conclusions.* Briefs were filed on behalf of producers and handlers in the Knoxville market. The briefs contained suggested findings of fact, conclusions, and arguments with respect to the proposals considered at the hearing. Every point covered in the briefs was carefully examined along with the evidence in the record in making the findings and reaching the conclusions hereinbefore set forth. To the extent that the suggested findings and conclusions contained in the briefs are inconsistent with the findings and conclusions contained herein, the request to make such findings or to reach such conclusions are denied on the basis of the facts found and stated in connection with the findings and conclusions in this recommended decision.

*Recommended marketing agreement and order, as amended.* The following order, as amended and reissued, is recommended as the detailed and appropriate means by which the foregoing conclusions may be carried out. The entire order is being rewritten and reissued to conform with Revised Regulations of the Division of Federal Register issued October 12, 1948. A proposed marketing agreement is not included in this decision because the regulatory provisions thereof would be identical with those contained in the recommended order.

Sec. 988.0 Findings and determinations.

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AUTHORITY: §§ 988.0 to 988.111 issued under sec. 5, 49 Stat. 753, as amended; 7 U. S. C. and Sup., 608c.

§ 988.0 *Findings and determinations.* The findings and determinations hereinafter set forth are supplementary and in addition to the findings and determinations previously made in connection with the issuance of the aforesaid order and each of the previously issued amendments thereto; and all of said previous findings and determinations are hereby ratified and affirmed, except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

(a) *Findings upon the basis of the hearing record.* Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and the applicable rules of practice and procedure, as amended governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), a public hearing was held at Knoxville, Tennessee, on January 16-20, 1951, upon a proposed marketing agreement and certain proposed amendments to the order, as

amended, regulating the handling of milk in the Knoxville, Tennessee, marketing area. Upon the basis of the evidence introduced at such hearing and the record thereof, it is found that:

(1) The said order, as amended, and as hereby further amended, and all of the terms and conditions of said order, as amended, and as hereby further amended, will tend to effectuate the declared policy of the act;

(2) The parity prices of milk as determined pursuant to section 2 of the act are not reasonable in view of the price of feeds, available supplies of feeds and other economic conditions which affect market supply of and demand for milk in the marketing area, and the minimum prices specified in the order, as amended and as hereby further amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk and be in the public interest; and

(3) The said order, as amended, and as hereby further amended, regulates the handling of milk in the same manner as and is applicable only to persons in the respective classes of industrial and commercial activity specified in a marketing agreement upon which a hearing has been held.

*Order relative to handling.* It is therefore ordered, That on and after the effective date hereof the handling of milk in the Knoxville, Tennessee, marketing area shall be in conformity to and in compliance with the terms and conditions of the aforesaid order, as amended, and as hereby further amended, and the aforesaid order, as amended, is hereby further amended as follows:

## DEFINITIONS

§ 988.1 *Act.* "Act" means Public Act No. 10, 73d Congress, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937 as amended (7 U. S. C. 601 et seq.).

§ 988.2 *Secretary.* "Secretary" means the Secretary of Agriculture or any officer or employee of the United States authorized to exercise the powers and to perform the duties of the Secretary of Agriculture.

§ 988.3 *Department of Agriculture.* "Department of Agriculture" means the United States Department of Agriculture or any other Federal agency as may be authorized by act of Congress or by Executive order to perform the price reporting functions of the United States Department of Agriculture.

§ 988.4 *Person.* "Person" means any individual, partnership, corporation, association, or any other business unit.

§ 988.5 *Knoxville, Tennessee, marketing area.* "Knoxville, Tennessee, marketing area" hereinafter called the "marketing area" means all the territory within the corporate limits of the City of Knoxville, Tennessee.

§ 988.6 *Cooperative association.* "Cooperative association" means any cooperative marketing association of producers which the Secretary determines to be qualified pursuant to the provi-

sions of the act of Congress of February 18, 1922, as amended, known as the "Capper-Voistead Act," and is authorized by its members to make collective sales or to market milk or its products for the producers thereof.

§ 988.7 *Producer-handler.* "Producer-handler" means any person who produces milk under a dairy farm inspection permit issued by the appropriate health authority in the marketing area and who processes milk from his own production, distributing all or a portion of such milk within the marketing area as Class I milk, but who receives no milk from producers.

§ 988.8 *Delivery period.* "Delivery period" means a calendar month, or the portion thereof during which this part is in effect.

§ 988.9 *Fluid milk plant.* "Fluid milk plant" means the premises and the portions of the building and facilities, approved by the appropriate health authority in the marketing area, which are used in: (a) The receipt and processing or packaging of producer milk, all, or a portion, of which is disposed of from such plant on wholesale or retail routes within the delivery period as Class I milk in the marketing area, or (b) the receipt and cooling of producer milk for shipment to a plant described in paragraph (a) of this section: *Provided*, That any portion of such building or facilities, used for receiving or processing milk or any milk product, required by the appropriate health authority in the marketing area to be kept physically separate from the receiving and processing or packaging of milk for disposition as Class I milk in the marketing area shall not be included.

§ 988.10 *Producer.* "Producer" means any person, except a producer-handler, who produces milk under a dairy farm inspection permit issued by the appropriate health authority in the marketing area, and whose milk conforms to the appropriate health standards for milk for fluid consumption, which milk is: (a) Received at a fluid milk plant, or (b) diverted from a fluid milk plant to any milk distributing or milk manufacturing plant: *Provided*, That any such milk so diverted shall be deemed to have been received by the handler for whose account it was diverted.

§ 988.11 *Handler.* "Handler" means (a) any person in his capacity as operator of a fluid milk plant, (b) a producer-handler or (c) any cooperative association of producers with respect to producer milk diverted by if from a fluid milk plant to a nonfluid milk plant for the account of such association.

§ 988.12 *Nonfluid milk plant.* "Nonfluid milk plant" means any milk manufacturing, processing, or bottling plant other than a fluid milk plant described in § 988.9.

§ 988.13 *Other source milk.* "Other source milk" means all skim milk and butterfat received in any form from a producer-handler or from a source other than producers or other handlers ex-

cept any nonfluid milk product received and disposed of in the same form.

**§ 988.14 Producer milk.** "Producer milk" means milk produced by one or more producers.

**§ 988.15 Base milk.** "Base milk" means milk received by a handler from a producer during any of the months of April through July which is not in excess of such producer's daily average base computed pursuant to § 988.60 multiplied by the number of days such producer delivered milk to such handler in such month: *Provided*, That with respect to any producer on "every-other-day" delivery to a fluid milk plant, the days of nondelivery, intervening days of delivery, shall be considered as days of delivery.

**§ 988.16 Excess milk.** "Excess milk" means milk received by a handler from a producer during any of the months of April through July which is in excess of base milk received from such producer during such month, and shall include all milk received during such month from a producer from whom no daily average base can be computed pursuant to § 988.60.

#### MARKET ADMINISTRATOR

**§ 988.20 Designation.** The agency for the administration of this part shall be a market administrator, selected by the Secretary, who shall be entitled to such compensation as may be determined by, and shall be subject to removal at the discretion of, the Secretary.

**§ 988.21 Powers.** The market administrator shall have the following powers with respect to this part:

- (a) To administer its terms and provisions;
- (b) To receive, investigate, and report to the Secretary complaints of violations;
- (c) To make rules and regulations to effectuate its terms and provisions; and
- (d) To recommend amendments to the Secretary.

**§ 988.22 Duties.** The market administrator shall perform all duties necessary to administer the terms and provisions of this part, including, but not limited to, the following:

(a) Within 45 days following the date on which he enters upon his duties, or such lesser period as may be prescribed by the Secretary, execute and deliver to the Secretary a bond, effective as of the date on which he enters upon his duties and conditioned upon the faithful performance of such duties, in an amount and with surety thereon satisfactory to the Secretary;

(b) Employ and fix the compensation of such persons as may be necessary to enable him to administer its terms and provisions;

(c) Obtain a bond in a reasonable amount and with reasonable surety thereon covering each employee who handles funds entrusted to the market administrator;

(d) Pay, out of the funds provided by § 988.87, (1) the cost of his bond and of

the bonds of his employees, (2) his own compensation, and (3) all other expenses, except those incurred under § 988.88, necessarily incurred by him in the maintenance and functioning of his office and in the performance of his duties;

(e) Keep such books and records as will clearly reflect the transactions provided for herein, and, upon request by the Secretary, surrender the same to such other person as the Secretary may designate;

(f) Publicly disclose to handlers and producers, unless otherwise directed by the Secretary the name of any person who, within 5 days after the day upon which he is required to perform such acts, has not made (1) reports pursuant to § 988.30 or (2) payments pursuant to § 988.80 and § 988.82;

(g) Submit his books and records to examination by the Secretary and furnish such information and reports as may be required by the Secretary;

(h) Prepare and make available for the benefit of producers, consumers, and handlers such general statistics and information concerning the operation hereof as are necessary and essential to the proper functioning of this part;

(i) Verify all reports and payments by each handler by audit, if necessary, of such handler's records and the records of any other handler or person upon whose utilization the classification of skim milk and butterfat for such handler depends; and

(j) Publicly announce and notify each handler in writing the prices and butterfat differentials determined for each delivery period as follows: (1) On or before the 6th day after the end of such delivery period the prices and butterfat differentials for each class computed pursuant to §§ 988.51 and 988.52; and (2) on or before the 10th day after the end of such delivery period, the uniform price(s) computed pursuant to §§ 988.71 and 988.72 and the butterfat differentials to be paid pursuant to § 988.85.

#### REPORTS, RECORDS, AND FACILITIES

**§ 988.30 Reports of receipts and utilization.** On or before the 6th day after the end of each delivery period each handler, except a producer-handler, shall report to the market administrator in the detail and on forms prescribed by the market administrator:

(a) The quantities of skim milk and butterfat contained in (1) all receipts at his fluid milk plant(s) within such delivery period of (i) producer milk and for the months of April through July, the aggregate quantities of base and excess milk, (ii) skim milk and butterfat in any form from other handlers, and (iii) other source milk; and (2) milk diverted pursuant to § 988.10 (b); and

(b) The utilization of all skim milk and butterfat required to be reported under paragraph (a) of this section.

**§ 988.31 Other reports.** Each handler shall report to the market administrator, in the detail and on forms prescribed by the market administrator as follows, except that each producer-handler shall make reports to the market administra-

tor at such time and in such manner as the market administrator may request:

(a) On or before the 20th day after the end of the delivery period, his producer pay roll for such delivery period which shall show: (1) The total pounds of milk received from each producer or cooperative association, including for the delivery periods of April through July the total deliveries of base milk and excess milk by each producer, (2) the number of days deliveries are made and if less than a full calendar month, the date of first and last delivery, (3) the average butterfat content of such milk, and (4) the net amount of such handler's payment to each producer or a cooperative association, together with the prices paid, deductions and charges involved.

(b) On or before the first day other source milk is received, his intention to receive such milk and on or before the last day such milk is received, his intention to discontinue such receipts.

**§ 988.32 Records and facilities.** Each handler shall keep adequate records of receipts and utilization of skim milk and butterfat and shall, during the usual hours of business, make available to the market administrator or his representative such records and facilities as will enable the market administrator to (a) verify the receipts and utilization of all skim milk and butterfat and, in case of errors or omissions, ascertain the correct figures; (b) weigh, sample, and test for butterfat content all milk and milk products handled; (c) verify payment to producers; and (d) make such examinations of operations, equipment, and facilities, as are necessary and essential to the proper administration of this part or any amendments thereto.

**§ 988.33 Retention of records.** All books and records required under this part to be made available to the market administrator shall be retained by the handler for a period of three years to begin at the end of the month to which such books and records pertain: *Provided*, That if, within such three-year period, the market administrator notifies the handler in writing that the retention of such books and records, or of specified books and records, is necessary in connection with a proceeding under section 8c (15) (A) of the act or a court action specified in such notice, the handler shall retain such books and records, or specified books and records, until further written notification from the market administrator. In either case the market administrator shall give further written notification to the handler promptly, upon the termination of the litigation or when the records are no longer necessary in connection therewith.

#### CLASSIFICATION OF MILK

**§ 988.40 Basis of classification.** All skim milk and butterfat contained in (a) receipts at a fluid milk plant(s), within such delivery period, of (1) producer milk, (2) skim milk and butterfat in any form from other handlers, and (3) other source milk, and (b) milk diverted pursuant to § 988.10 (b) shall be classified by the market administrator in the classes set forth in § 988.41.

## PROPOSED RULE MAKING

**§ 988.41 Classes of utilization.** Subject to the conditions set forth in § 988.42 through § 988.45 the classes of utilization shall be as follows:

(a) Class I milk shall be all skim milk and butterfat (1) disposed of in fluid form (except for livestock feed) as milk, skim milk, buttermilk, flavored milk, flavored milk drinks, cream and any cream product, except ice cream mix and (2) not specifically accounted for as Class II milk.

(b) Class II milk shall be all skim milk and butterfat: (1) Used to produce any item other than those specified in paragraph (a) of this section; (2) in inventory variation; (3) disposed of for livestock feed; (4) in actual plant shrinkage of skim milk and butterfat received in producer milk, but not in excess of 2.5 percent of such receipts of skim milk and butterfat, respectively, and (5) in actual plant shrinkage of skim milk and butterfat, respectively, in other source milk received: *Provided*, That if producer milk and other source milk are both received in a fluid milk plant during the same delivery period the shrinkage of skim milk and butterfat, respectively, allocated to producer milk and other source milk shall be computed pro rata according to the proportions of the volumes of skim milk and butterfat, respectively, received from such sources to their total.

**§ 988.42 Responsibility of handlers and reclassification of milk.** (a) All skim milk and butterfat shall be classified as Class I milk, unless the handler who first receives such skim milk or butterfat proves to the market administrator that such skim milk or butterfat should be classified in Class II.

(b) Any skim milk or butterfat classified (except that transferred to a producer-handler) in one class shall be reclassified if used or reused by such handler or by another handler in another class.

**§ 988.43 Transfers.** Skim milk or butterfat disposed of by a handler either by transfer or diversion shall be classified:

(a) As Class I milk if transferred or diverted in the form of milk, skim milk, or cream to a fluid milk plant of another handler (except a producer-handler), unless utilization in Class II is mutually indicated in writing to the market administrator by both handlers on or before the 6th day after the end of the delivery period within which such transaction occurred, but in no event shall the amount classified in any class exceed the total use in such class by the transferee-handler: *Provided*, That if either or both handlers have received other source milk, such milk so disposed of shall be classified at both plants so as to return the higher class utilization to producer milk.

(b) As Class I milk if transferred or diverted in the form of milk, skim milk, or cream to a producer-handler.

(c) As Class I milk if transferred or diverted in the form of milk, skim milk, or cream to a nonfluid milk plant, except that of a producer-handler, unless (1) the handler claims Class II on the basis

of a utilization mutually indicated in writing to the market administrator by both the operator of the nonfluid milk plant and the handler on or before the 6th day after the end of the delivery period within which such transfer occurred, (2) the operator of the nonfluid milk plant maintains books and records showing the utilization of all skim milk and butterfat at such plant which are made available if requested by the market administrator for the purpose of verification, and (3) not less than an equivalent amount of skim milk and butterfat was actually utilized in such plant in the use indicated in such statement: *Provided*, That if upon inspection of the records of such plant it is found that an equivalent amount of skim milk and butterfat was not actually used in such indicated use the remaining pounds shall be classified as Class I: *Provided further*, That if such plant disposes of fluid cream to another nonfluid milk plant which conforms with the requirements of subparagraphs (1) (2) and (3) of this paragraph, such cream shall be classified as Class II milk.

**§ 988.44 Computation of skim milk and butterfat in each class.** For each delivery period, the market administrator shall correct for mathematical and other obvious errors the delivery period report submitted by each handler and compute the total pounds of skim milk and butterfat, respectively, in Class I milk and Class II milk for such handler.

**§ 988.45 Allocation of skim milk and butterfat classified.** (a) The pounds of skim milk remaining in each class after making the following computations for each handler for each delivery period shall be the pounds in such class allocated to producer milk received by such handler:

(1) Subtract the shrinkage of skim milk, computed pursuant to § 988.41 (b) (4) from the total pounds of skim milk in Class II milk;

(2) Subtract from the pounds of skim milk remaining in each class, in series beginning with the lowest price Class II milk, the pounds of skim milk in other source milk;

(3) Subtract from the pounds of skim milk remaining in each class the pounds of skim milk received from other handlers and assigned to such class pursuant to § 988.43 (a);

(4) Add to the pounds of skim milk remaining in Class II milk the pounds of skim milk subtracted pursuant to subparagraph (1) of this paragraph; or if the pounds of skim milk remaining in all classes exceed the pounds of skim milk in producer milk, subtract such excess from the pounds of skim milk remaining in each class, in series beginning with Class II.

(b) Allocate the pounds of butterfat in each class to producer milk in the same manner prescribed for skim milk in paragraph (a) of this section.

(c) Add the pounds of skim milk and the pounds of butterfat allocated to producer milk in each class, respectively, as computed pursuant to paragraphs (a) and (b) of this section, and determine the percentage of butterfat in each class.

## MINIMUM PRICES

**§ 988.50 Basic formula price.** The basic formula price per hundredweight (computed to the nearest tenth of a cent) to be used in determining the price for Class I milk pursuant to § 988.51 shall be the highest of the prices per hundredweight for milk of 4.0 percent butterfat content computed pursuant to paragraph (a), (b), or (c) of this section, or § 988.51 (b).

(a) To the arithmetical average of the basic (or field) prices reported to have been paid or to be paid per hundredweight for milk of 3.5 percent butterfat content received from farmers during the delivery period at the following plants or places for which prices have been reported to the market administrator or to the Department of Agriculture on or before the 6th day after the end of the delivery period by the companies listed below:

## Company and Location

Borden Co., Black Creek, Wis.  
Borden Co., Greenville, Wis.  
Borden Co., Mount Pleasant, Mich.  
Borden Co., New London, Wis.  
Borden Co., Orfordville, Wis.  
Carnation Co., Berlin, Wis.  
Carnation Co., Jefferson, Wis.  
Carnation Co., Chilton, Wis.  
Carnation Co., Oconomowoc, Wis.  
Carnation Co., Richland Center, Wis.  
Carnation Co., Sparta, Mich.  
Pet Milk Co., Belleville, Wis.  
Pet Milk Co., Coopersville, Mich.  
Pet Milk Co., Hudson, Mich.  
Pet Milk Co., New Glarus, Wis.  
Pet Milk Co., Wayland, Mich.  
White House Milk Co., Manitowoc, Wis.  
White House Milk Co., West Bend, Wis.

add an amount computed by multiplying the butterfat differential computed pursuant to § 988.85 by 5.

(b) The price per hundredweight computed as follows:

(1) Multiply by 6 the average daily wholesale price per pound of 92-score butter in the Chicago market as reported by the Department of Agriculture during the delivery period;

(2) Add an amount equal to 2.4 times the arithmetical average of the weekly prevailing price per pound of "Twins" during the delivery period on the Wisconsin Cheese Exchange at Plymouth, Wisconsin: *Provided*, That if the price of "Twins" is not quoted on such Exchange the weekly prevailing price per pound of "Cheddars" shall be used; and

(3) Divide by 7, add 30 percent thereof, and then multiply by 4.

(c) The price per hundredweight computed as follows: Multiply by 4.0 the arithmetical average of daily wholesale prices per pound of 92-score butter in the Chicago market, as reported by the Department of Agriculture during the delivery period, add 20 percent thereof, and add to such sum  $\frac{3}{4}$  cents for each full  $\frac{1}{2}$  cent that the arithmetical average of carlot prices per pound of nonfat dry milk solids (not including that specifically designated animal feed), spray and roller process, f. o. b. Chicago area manufacturing plants, as reported by the Department of Agriculture during the delivery period, is above 5 cents: *Provided*, That if such f. o. b. manufacturing plant

prices of nonfat dry milk solids are not reported there shall be used for the purpose of such computation the arithmetical average of the carlot prices of nonfat dry milk solids delivered at Chicago, Illinois, as reported by the Department of Agriculture during the delivery period; and in the latter event the "5 cents" shall be increased by 1 cent.

**§ 988.51 Class prices.** Subject to the provisions of § 988.52 each handler shall pay producers, at the time and in the manner set forth in § 988.80 through § 988.86, not less than the prices per hundredweight computed as follows for the respective quantities of Class I milk and Class II milk computed pursuant to § 988.45:

(a) *Class I Milk.* The price for Class I milk prior to August 1, 1951, shall be the basic formula price plus \$1.30 per hundredweight. Effective August 1, 1951, the price for Class I milk shall be the basic formula price plus \$1.50 per hundredweight: *Provided*, That, if during the 12 months prior to the month immediately preceding each delivery period, the total volume of milk received from producers by all handlers was more than 110 percent of the total Class I utilization of all handlers during such 12-month period, the Class I price shall be decreased 2.5 cents per hundredweight for each full percentage point that such percentage is more than 110 percent.

(b) *Class II milk.* The price for Class II milk shall be the arithmetical average of the basic (or field) prices reported to have been paid or to be paid per hundredweight for milk of 4.0 percent butterfat content received from farmers during the delivery period at the following plants or places for which prices have been reported to the market administrator or to the Department of Agriculture on or before the 6th day after the end of the delivery period by the companies indicated below:

#### Company and Location

Pet Milk Co., Mayfield, Ky.  
Pet Milk Co., Bowling Green, Ky.  
Pet Milk Co., Greenville, Tenn.  
Pet Milk Co., Abingdon, Va.  
Carnation Co., Murfreesboro, Tenn.  
Carnation Co., Statesville, N. C.  
Carnation Co., Galax, Va.  
Borden Co., Lewisburg, Tenn.  
Borden Co., Chester, S. C.

**§ 988.52 Butterfat differential to handlers.** If the weighted average butterfat test of that portion of producer milk which is classified, respectively, in any class of utilization for a handler, pursuant to § 988.45, is more or less than 4.0 percent, there shall be added to, or subtracted from, as the case may be, the price for such class of utilization, for each one-tenth of 1 percent that such weighted average butterfat test is above or below, respectively, 4.0 percent, a butterfat differential (computed to the nearest 10th of a cent), calculated for each class of utilization as follows:

(a) *Class I milk.* Multiply by 1.3 the average daily wholesale price per pound of 92-score butter in the Chicago market, as reported by the Department of Agriculture during the delivery period, and divide the result by 10.

(b) *Class II milk.* Multiply by 1.15 the average daily wholesale price per pound of 92-score butter in the Chicago market, as reported by the Department of Agriculture during the delivery period, and divide the result by 10.

#### DETERMINATION OF BASE

**§ 988.60 Computation of daily average base for each producer.** For the months of April through July of each year the market administrator shall compute a daily average base for each producer as follows, subject to the rules set forth in § 988.61.

(a) Divide the total pounds of milk received by a handler(s) from such producer during the months of September through February immediately preceding by the number of days from the first day of delivery by such producer during such months to the last day of February, inclusive, but not less than 90 days.

**§ 988.61 Base rules.** The following rules shall apply in connection with the establishment of bases:

(a) A base shall apply to deliveries of milk by the producer for whose account that milk was delivered during the base forming period;

(b) Bases may be transferred by notifying the market administrator in writing before the last day of any month for which such base is to be transferred to the person named in such notice only as follows:

(1) In the event of the death, retirement, or entry into military service of a producer, the entire base may be transferred to a member(s) of such producer's immediate family who carries on the dairy operations.

(2) If a base is held jointly and such joint holding is terminated, the entire base may be transferred to one of the joint holders.

**§ 988.62 Announcement of established bases.** On or before April 1, of each year, the market administrator shall notify each producer and the handler receiving milk from such producer the daily base established by such producer.

#### DETERMINATION OF UNIFORM PRICES TO PRODUCERS

**§ 988.70 Computation of value of milk.** The value of producer milk received during each delivery period by each handler shall be a sum of money computed by the market administrator by multiplying the pounds of such milk in each class for the delivery period by the applicable class price adjusted by the butterfat differential to handlers specified in § 988.52 and adding together the resulting amounts: *Provided*, That if a handler, after subtracting receipts of other source milk and receipts from other handlers, has disposed of skim milk or butterfat in excess of the skim milk or butterfat which has been credited to producers as having been received from them, there shall be added any plus amount computed by multiplying the pounds in each class as subtracted pursuant to paragraphs (a) (4) and (b) of § 988.45 by the applicable class price adjusted by the butterfat differentials to handlers specified in § 988.52.

**§ 988.71 Computation of uniform price.** For the delivery periods of August through March the market administrator shall compute the uniform price per hundredweight for producer milk, on the basis of 4.0 percent butterfat content, as follows:

(a) Combine into one total the value computed pursuant to § 988.70 for all handlers who made the reports prescribed by § 988.30 for such delivery period, except those in default of payments required pursuant to § 988.82 for the preceding delivery period;

(b) Subtract if the average butterfat content of producer milk represented by the values included under paragraph (a) of this section is greater than 4.0 percent, or add, if such average butterfat content is less than 4.0 percent, an amount computed as follows: Multiply the amount by which the average butterfat content of such milk varies from 4.0 percent by the butterfat differential computed pursuant to § 988.85, and multiply the result by the total hundredweight of such milk;

(c) Add an amount representing the cash balance on hand in the producer-settlement fund, less the total amount of contingent obligations to handlers pursuant to § 988.83;

(d) Divide the resulting amount by the total hundredweight of producer milk included in these computations; and

(e) Subtract not less than 4 cents nor more than 5 cents for the purpose of retaining in the producer-settlement fund a cash balance to provide against delinquencies in payments by handlers. This result shall be known as the "uniform price" per hundredweight for such delivery period for producer milk containing 4.0 percent butterfat, f. o. b. fluid milk plant.

**§ 988.72 Computation of uniform prices for base milk and excess milk.** For each of the delivery periods of April through July, the market administrator shall compute the uniform prices per hundredweight for base milk and for excess milk, each of 4.0 percent butterfat content, as follows:

(a) Combine into one total the value computed pursuant to § 988.70 for all handlers who made the reports prescribed by § 988.30 for such delivery period, except those in default of payment required pursuant to § 988.82 for the preceding delivery period;

(b) Subtract if the average butterfat content of producer milk represented by the values included under paragraph (a) of this section is greater than 4.0 percent, or add, if such average butterfat content is less than 4.0 percent, an amount computed as follows: Multiply the amount by which the average butterfat content of such milk varies from 4.0 percent by the butterfat differential computed pursuant to § 988.85, and multiply the result by the total hundredweight of such milk;

(c) Add an amount representing the cash balance on hand in the producer-settlement fund, less the total amount of contingent obligations to handlers pursuant to § 988.83;

(d) Compute the value on a 4.0 percent butterfat basis of the aggregate

## PROPOSED RULE MAKING

quantity of excess milk for all handlers included in the computation pursuant to paragraph (a) of this section by multiplying the hundredweight of such milk not in excess of the total quantity of Class II milk included in such computation by the price for Class II milk of 4.0 percent butterfat content, multiplying the hundredweight of such milk in excess of the total hundredweight of such Class II milk by the price for Class I milk of 4.0 percent butterfat content, and adding together the resulting amounts;

(e) Divide the total value of excess milk obtained in paragraph (d) of this section by the total hundredweight of such milk, and adjust to the nearest cent. The resulting figure shall be the uniform price for excess milk of 4.0 percent butterfat content received from producers.

(f) Subtract the value of excess milk determined by applying the uniform price obtained in paragraph (e) of this section from the value of all milk obtained in paragraph (c) of this section;

(g) Divide the amount obtained in paragraph (f) of this section by the total hundredweight of base milk included in these computations;

(h) Subtract not less than 4 cents nor more than 5 cents from the amount computed pursuant to paragraph (g) of this section. The resulting figure shall be the uniform price for base milk of 4.0 percent butterfat content received from producers.

**§ 988.73 Notification of handlers.** On or before the 10th day after the end of each delivery period, the market administrator shall mail to each handler, at his last known address, a statement showing:

(a) The amount and value of his producer milk in each class and the totals thereof;

(b) For the months of April through July the amounts and value of his base and excess milk respectively, and the totals thereof;

(c) The uniform price(s) computed pursuant to §§ 988.71 and 988.72 and the butterfat differential computed pursuant to § 988.85; and

(d) The amounts to be paid by such handler pursuant to §§ 988.82, 988.87 and 988.88.

## PAYMENTS

**§ 988.80 Time and method of payment for producer milk.** (a) On or before the last day of each delivery period each handler shall make payment to each producer for milk received from him during the first 15 days of such delivery period at not less than the Class II price per hundredweight for the preceding delivery period: *Provided*, That with respect to producers whose milk was caused to be delivered to such handler by a cooperative association which is authorized to collect payment for such milk, the handler shall pay such cooperative association on or before the 2d day before the end of each delivery period an amount equal to the sum of the individual payments otherwise payable to such producers in accordance with this paragraph.

(b) On or before the 15th day after the end of each delivery period each handler shall make payment to each producer for milk which was received from him during the delivery period at not less than the uniform price computed pursuant to § 988.71, if such delivery period is any of the months of August through March, or at not less than the uniform price for base milk computed pursuant to § 988.72 with respect to base milk received from such producer and at not less than the uniform price for excess milk computed pursuant to § 988.72 with respect to excess milk received from such producer, if such delivery period is any of the months of April through July, subject to the following adjustments: (1) The butterfat differential pursuant to § 988.85, (2) less payment made pursuant to paragraph (a) of this section, (3) less marketing service deductions pursuant to § 988.88, (4) less deductions authorized in writing by the producer, and (5) adjusted for any error in calculating payment to such individual producer for past delivery periods: *Provided*, That if such handler has not received full payment for such delivery period pursuant to § 988.83 he may reduce uniformly per hundredweight for all producers his payments pursuant to this paragraph by an amount not in excess of the per hundredweight reduction in payment from the market administrator: *Provided further*, That the handler shall make such balance of payment to those producers to whom it is due on or before the date for making payments pursuant to this paragraph next following that on which such balance of payment is received from the market administrator: *And provided further*, That with respect to producers whose milk was caused to be delivered to such handler by a cooperative association which is authorized to collect payment for such milk, the handler shall pay such cooperative association, on or before the 13th day after the end of each delivery period, an amount equal to the sum of the individual payments otherwise payable to such producers in accordance with this paragraph.

**§ 988.81 Producer-settlement fund.** The market administrator shall establish and maintain a separate fund known as the "producer-settlement fund" into which he shall deposit all payments made by handlers pursuant to §§ 988.82 and 988.84, and out of which he shall make all payments pursuant to §§ 988.83 and 988.84: *Provided*, That payments due to any handler shall be offset by payments due from such handler.

**§ 988.82 Payments to the producer-settlement fund.** On or before the 12th day after the end of each delivery period, each handler shall pay to the market administrator any amount by which the total value of his milk computed pursuant to § 988.70 for such delivery period is greater than the value of milk received by such handler from producers during the delivery period, computed at the applicable minimum uniform prices as specified in § 988.71 and § 988.72 adjusted for the butterfat differential provided for in § 988.85.

**§ 988.83 Payments out of the producer-settlement fund.** On or before the 13th day after the end of each delivery period, the market administrator shall pay to each handler, for payment to producers, or a cooperative association, any amount by which the total value of his milk computed pursuant to § 988.70 for such delivery period is less than the value of milk received by such handler from producers during the delivery period, computed at the applicable minimum uniform prices as specified in §§ 988.71 and 988.72 adjusted for the butterfat differential provided for in § 988.85. If at such time the balance in the producer-settlement fund is insufficient to make all payments pursuant to this section, the market administrator shall reduce uniformly per hundredweight such payments and shall complete such payments as soon as the necessary funds are available.

**§ 988.84 Adjustment of errors in payment.** Whenever verification by the market administrator of payments by any handler discloses errors made in payments to the producer-settlement fund pursuant to § 988.82, the market administrator shall promptly bill such handler for any unpaid amount and such handler shall, within 15 days, make payment to the market administrator of the amount so billed. Whenever verification discloses that payment is due from the market administrator to any handler, pursuant to § 988.83, the market administrator shall, within 15 days, make such payment to such handler. Whenever verification by the market administrator of the payment by a handler to any producer or cooperative association for milk received by such handler discloses payment of less than is required by § 988.80, the handler shall pay such balance due such producer or cooperative association not later than the time of making payment to producers or cooperative associations next following such disclosure.

**§ 988.85 Butterfat differential to producers.** If, during the delivery period, any handler has received, from any producer or cooperative association, milk having an average butterfat content other than 4.0 percent, such handler, in making payments prescribed in § 988.80 (b), shall add to the uniform price(s) per hundredweight paid to such producer or cooperative association for each one-tenth of 1 percent that the average butterfat content of such milk is above 4.0 percent not less than, or may deduct from the uniform price(s) per hundredweight for each one-tenth of 1 percent that the average butterfat content of such milk is below 4.0 percent not more than, an amount computed as follows: Multiply by 1.2 the average daily wholesale price per pound of 92-score butter in the Chicago market, as reported by the Department of Agriculture during the delivery period, and divide the result by 10, and then adjust to the nearest one-tenth of a cent.

**§ 988.86 Statement to producers.** In making payments required by § 988.80 each handler shall furnish each producer or cooperative association with a supporting statement in such form that it

may be retained by the producer or cooperative association which shall show:

(a) The delivery period and the identity of the handler and of the producer;

(b) The total pounds and the average butterfat content of milk delivered by the producer including for the months of April through July, the pounds of base milk and excess milk;

(c) The minimum rate or rates at which payment to the producer is required under the provisions of §§ 988.80 and 988.85;

(d) The rate which is used in making the payment if such rate is other than the applicable minimum;

(e) The amount or the rate per hundredweight of each deduction claimed by the handler including any deduction made pursuant to § 988.88, together with a description of the respective deductions; and

(f) The net amount of payment to the producer or cooperative association.

**§ 988.87 Expense of administration.** As his pro rata share of the expense of the administration of this part, each handler shall pay to the market administrator, on or before the 15th day after the end of each delivery period, 4 cents per hundredweight or such lesser amount as the Secretary may prescribe, with respect to receipts, during the delivery period, of (a) milk from producers (including such handler's own production), and (b) other source milk received at a fluid milk plant: *Provided*, That each cooperative association shall pay such pro rata expense on only that milk of producers for which it is a handler.

**§ 988.88 Marketing services.** (a) Except as set forth in paragraph (b) of this section, each handler in making payments to producers pursuant to § 988.80 (b), shall deduct 6 cents per hundredweight or such lesser amount as the Secretary may prescribe, with respect to all milk received by such handler from producers, excepting such handler's own farm production, during the delivery period, and shall pay such deductions to the market administrator not later than the 15th day after the end of the delivery period. Such moneys shall be used by the market administrator to verify weights, samples, and tests of milk received by handlers from such producers during the delivery period and to provide such producers with market information. Such services shall be performed in whole or in part by the market administrator or by an agent engaged by and responsible to him.

(b) **Producers' cooperative associations.** In the case of producers for whom a cooperative association is actually performing, as determined by the Secretary, the services set forth in paragraph (a) of this section, each handler shall make, in lieu of the deductions specified in paragraph (a) of this section, such deductions as are authorized by such producers and, on or before the 15th day after the end of each delivery period, pay over such deductions to the association rendering such services.

**§ 988.89 Termination of obligations.** The provisions of this section shall apply

to any obligation under this part for the payment of money irrespective of when such obligation arose, except an obligation involved in an action instituted before December 1, 1951, under section 8c (15) (A) of the act or before a court.

(a) The obligation of any handler to pay money required to be paid under the terms of this order, shall, except as provided in paragraphs (b) and (c) of this section, terminate two years after the last day of the calendar month during which the market administrator receives the handler's utilization report on the milk involved in such obligation, unless within such two-year period the market administrator notifies the handler in writing that such money is due and payable. Service of such notice shall be complete upon mailing to the handler's last known address, and it shall contain but need not be limited to, the following information:

(1) The amount of the obligation;

(2) The month(s) during which the milk, with respect to which the obligation exists, was received or handled; and

(3) If the obligation is payable to one or more producers or to an association of producers, the name of such producer(s) or association of producers, or if the obligation is payable to the market administrator, the account for which it is to be paid.

(b) If a handler fails or refuses, with respect to any obligation under this part, to make available to the market administrator or his representatives all books and records required by this part to be made available, the market administrator may, within the two-year period provided for in paragraph (a) of this section, notify the handler in writing of such failure or refusal. If the market administrator so notifies a handler, the said two-year period with respect to such obligation shall not begin to run until the first day of the calendar month following the month during which all such books and records pertaining to such obligation are made available to the market administrator or his representatives.

(c) Notwithstanding the provisions of paragraphs (a) and (b) of this section, a handler's obligation under this order to pay money shall not be terminated with respect to any transaction involving fraud or willful concealment of a fact, material to the obligation, on the part of the handler against whom the obligation is sought to be imposed.

(d) Any obligation on the part of the market administrator to pay a handler any money which such handler claims to be due him under the terms of this part shall terminate two years after the end of the calendar month during which the milk involved in the claim was received if an underpayment is claimed, or two years after the end of the calendar month during which the payment (including deduction or set-off by the market administrator) was made by the handler if a refund on such payment is claimed, unless such handler, within the applicable period of time, files, pursuant to section 8c (15) (A) of the act, a petition claiming such money.

#### APPLICATION OF PROVISIONS

**§ 988.90 Producer - handlers.** Sections 988.40 through 988.45, 988.50 through 988.52, 988.60 through 988.62, 988.70 through 988.73, 988.80 through 988.83 shall not apply to a producer-handler.

#### EFFECTIVE TIME, SUSPENSION OR TERMINATION

**§ 988.100 Effective time.** The provisions of this part, or any amendments to this part, shall become effective at such time as the Secretary may declare and shall continue in force until suspended or terminated.

**§ 988.101 Suspension or termination.** The Secretary shall suspend or terminate any or all of the provisions of this part, whenever he finds that it obstructs or does not tend to effectuate the declared policy of the act. This part shall, in any event, terminate whenever the provisions of the act authorizing it cease to be in effect.

**§ 988.102 Continuing power and duty of the market administrator.** (a) If, upon the suspension or termination of any or all of the provisions of this part, there are any obligations arising hereunder, the final accrual or ascertainment of which requires further acts by any handler, by the market administrator, or by any other person, the power and duty to perform such further acts shall continue notwithstanding such suspension or termination: *Provided*, That any such acts required to be performed by the market administrator shall, if the Secretary so directs, be performed by such other person, persons, or agency as the Secretary may designate.

(b) The market administrator, or such other person as the Secretary may designate shall (1) continue in such capacity until discharged by the Secretary; (2) from time to time account for all receipts and disbursements and deliver all funds or property on hand, together with the books and records of the market administrator, or such person, to such person as the Secretary shall direct; and (3) if so directed by the Secretary execute such assignments or other instruments necessary or appropriate to vest in such person full title to all funds, property, and claims vested in the market administrator or such person pursuant thereto.

**§ 988.103 Liquidation after suspension or termination.** Upon the suspension or termination of any or all provisions of this part, the market administrator or such person as the Secretary may designate shall, if so directed by the Secretary, liquidate the business of the market administrator's office, and dispose of all funds and property then in his possession or under his control, together with claims for any funds which are unpaid or owing at the time of such suspension or termination. Any funds collected pursuant to the provisions of this part, over and above the amounts necessary to meet outstanding obligations and the expenses necessarily incurred by the market administrator or such person in liquidating

## PROPOSED RULE MAKING

and distributing such funds, shall be distributed to the contributing handlers and producers in an equitable manner.

## MISCELLANEOUS PROVISIONS

**§ 988.110 Separability of provisions.** If any provision of this part, or its application to any person or circumstances, is held invalid, the application of such

provision, and of the remaining provisions of this part, to other persons or circumstances shall not be affected thereby.

**§ 988.111 Agents.** The Secretary may, by designation in writing, name any officer or employee of the United States to act as his agent or representative in

connection with any of the provisions of this part.

Issued at Washington, D. C., this 31st day of May 1951.

[SEAL] ROY W. LENNARTSON,  
Assistant Administrator.

[F. R. Doc. 51-6482; Filed, June 4, 1951;  
8:51 a. m.]

## NOTICES

## DEPARTMENT OF THE TREASURY

## Bureau of Customs

[T. D. 52736]

## PRODUCTS OF FRENCH INDOCHINA

## MARKING OF COUNTRY OF ORIGIN

MAY 31, 1951.

The area formerly referred to as French Indochina now comprises three States, namely, the "State of Vietnam," the "Kingdom of Cambodia," and the "Kingdom of Laos."

Acceptable markings to indicate the respective country of origin under the marking provisions of the Tariff Act of 1930, as amended, for articles manufactured or produced in one of these areas are as follows:

State of Vietnam; Vietnam; or Vietnam, Indochina.

Kingdom of Cambodia; Cambodia; or Cambodia, Indochina.

Kingdom of Laos; Laos; or Laos, Indochina.

However, marking with the words French Indochina may be accepted to indicate the country of origin of articles manufactured or produced in any of these areas and which arrive in the United States before the expiration of 90 days after the publication of this decision in the weekly Treasury decisions.

T. D. 47522 (7) and the entry for the area in question in item 3 of Bulletin of Marking Rulings—3 are hereby superseded.

[SEAL] D. B. STRUBINGER,  
Acting Commissioner of Customs.

[F. R. Doc. 51-6461; Filed, June 4, 1951;  
8:49 a. m.]

Fiscal Service, Bureau of the  
Public Debt

[1951 Dept. Circ. 890]

1% PERCENT TREASURY CERTIFICATES OF  
INDEBTEDNESS OF SERIES A-1952

## OFFERING OF CERTIFICATES

JUNE 4, 1951.

**I. Offering of certificates.** 1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par, from the people of the United States for certificates of indebtedness of the United States, designated 1% percent Treasury Certificates of Indebted-

ness of Series A-1952, in payment of which any of the following listed Treasury securities, singly or in combinations aggregating \$1,000 or multiples thereof, may be tendered:

## Treasury bonds:

2½ percent bonds of 1951-54, dated June 15, 1936, due June 15, 1954, called for redemption June 15, 1951.

## Treasury notes:

1¼ percent notes, Series B-1951, dated March 1, 1950, maturing July 1, 1951.

1¼ percent notes, Series C-1951, dated April 1, 1950, maturing July 1, 1951.

1¼ percent notes, Series D-1951, dated June 1, 1950, maturing July 1, 1951.

**II. Description of certificates.** 1. The certificates will be dated June 15, 1951, and will bear interest from that date at the rate of 1⅓ percent per annum, payable with the principal at maturity on April 1, 1952. They will not be subject to call for redemption prior to maturity.

2. The income derived from the certificates shall be subject to all taxes, now or hereafter imposed under the Internal Revenue Code, or laws amendatory or supplementary thereto. The certificates shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The certificates will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes.

4. Bearer certificates will be issued in denominations of \$1,000, \$5,000, \$10,000, \$100,000, and \$1,000,000. The certificates will not be issued in registered form.

5. The certificates will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States certificates.

**III. Subscription and allotment.** 1. Subscriptions will be received at the Federal Reserve Banks and Branches and at the Treasury Department, Washington. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of certificates applied for, and to close the books as to any or all subscriptions at any time without no-

tice; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

**IV. Payment.** 1. Payment at par for certificates allotted hereunder must be made on or before June 15, 1951, or on later allotment, and may be made only in Treasury Bonds of 1951-54, called for redemption June 15, 1951, or in Treasury Notes of Series B-1951, Series C-1951 or Series D-1951, all maturing July 1, 1951, which will be accepted at par, and should accompany the subscription. Final interest due June 15 on the called bonds surrendered will be paid, in the case of coupon bonds, by payment of the June 15, 1951 coupons, which should be detached by holders before presentation of the bonds, and in the case of registered bonds, by checks drawn in accordance with the assignments on the bonds surrendered. Treasury Notes of Series B-1951 and Series C-1951 should be surrendered with the July 1, 1951 coupons attached, and accrued interest from January 1, 1951 to June 15, 1951 (\$5.69751 per \$1,000) will be paid following acceptance of the notes, but not before June 15, 1951. In the case of Treasury Notes of Series D-1951, on which interest is payable with principal, accrued interest from June 1, 1950 to June 15, 1951 (\$12.97945 per \$1,000) will be paid following acceptance of the notes, but not before June 15, 1951.

**V. Assignment of registered bonds.** 1. Treasury Bonds of 1951-54 in registered form tendered in payment for certificates offered hereunder should be assigned by the registered payees or assignees thereof to "The Secretary of the Treasury for exchange for Treasury Certificates of Indebtedness of Series A-1952 to be delivered to \_\_\_\_\_," in accordance with the general regulations of the Treasury Department governing assignments for transfer or exchange, and thereafter should be presented and surrendered with the subscription to a Federal Reserve Bank or Branch or to the Treasury Department, Division of Loans and Currency, Washington, D. C. The bonds must be delivered at the expense and risk of the holders.

**VI. General provisions.** 1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue

allotment notices, to receive payment for certificates allotted, to make delivery of certificates on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive certificates.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

[SEAL] JOHN W. SNYDER,  
Secretary of the Treasury.

[F. R. Doc. 51-6479; Filed, June 4, 1951;  
8:51 a. m.]

## DEPARTMENT OF COMMERCE

### National Production Authority

[NPA Delegation 13 as Amended June 1, 1951]

### ADMINISTRATOR OF PETROLEUM ADMINISTRATION FOR DEFENSE

#### DELEGATION OF AUTHORITY WITH RESPECT TO MATERIALS USED IN PETROLEUM, GAS, AND RELATED INDUSTRIES

Pursuant to Executive Orders 10161 and 10200 (15 F. R. 6105; 16 F. R. 61), Defense Production Administration Delegation No. 1 as amended (16 F. R. 738; 16 F. R. 4594), Department of Commerce Order 123 as amended (15 F. R. 6726; 16 F. R. 1129), and Department of the Interior Order 2591 as amended (15 F. R. 6767; 15 F. R. 9529; 16 F. R. 932; 16 F. R. 2896), issued under the Defense Production Act of 1950, the following delegation is made:

Whenever any order, regulation, or other action of the National Production Authority expressly provides for the use, delivery, receipt, or other disposition of material in accordance with authorizations or directions of the Petroleum Administration for Defense, the Administrator of the Petroleum Administration for Defense, or any official of the Petroleum Administration for Defense duly authorized by him, is hereby delegated the authority to issue such authorizations and directions either unconditionally or subject to such conditions as he may deem appropriate.

Action taken under this delegation shall not in any way limit the applicability or effect of any order, regulation, or other action of the National Production Authority but shall be in addition to the same.

All actions heretofore taken by the Administrator of the Petroleum Administration for Defense, or any official duly authorized by him, pursuant to this delegation as heretofore in effect or pursuant to the statements of authority in NPA Order M-46 of the National Production Authority, are ratified and confirmed.

This amended delegation shall take effect on June 1, 1951.

NATIONAL PRODUCTION  
AUTHORITY,  
MANLY FLEISCHMANN,  
Administrator.

[F. R. Doc. 51-6540; Filed, June 1, 1951;  
4:59 p. m.]

### Office of International Trade

[Case No. 101]

DAVID ZETLAND CORP. ET AL.

#### ORDER REVOKING AND DENYING LICENSE PRIVILEGES

In the matter of David Zetland Corporation, David Zetland, 46 Cedar Street, New York, New York; Cordova Export Corporation, William N. Borkan, 1841 Broadway, New York 23, New York; Lloyds Trading Company, H. G. Lloyds, Leon Barsamian, Shell Building, 60 Rue Ravenstein, Brussels, Belgium; respondents, Case No. 101.

This proceeding was begun by the issuance of a charging letter dated October 27, 1950, wherein the Office of International Trade, Department of Commerce, charged respondents with having violated the provisions of the Export Control Act of 1949 (63 Stat. 7) and the regulations promulgated thereunder.

It was alleged in said charging letter that the respondents David Zetland and David Zetland Corporation knowingly caused false representations to be made in three applications for export licenses filed on behalf of said respondents for the exportation of steel roller bearings; that the respondents Lloyds Trading Company H. G. Lloyds, and Leon Barsamian, with wilful intent, falsely represented, or caused to be represented, in one of said applications that Lloyds Trading Company was the purchaser and ultimate consignee and Belgium the country of ultimate destination of the roller bearings covered by said application; and that upon the issuance of an export license to the respondent Cordova Export Corporation, as licensee, pursuant to the last mentioned application, and a shipment thereunder of 82 roller bearings to Belgium, the respondents caused said 82 roller bearings to be transshipped from Belgium to Switzerland.

The eligibility of the respondents David Zetland and David Zetland Corporation as parties to any validated export licenses or any exportations thereunder was, by the terms of the charging letter, suspended during the pendency of this proceeding.

Upon delivery of the above mentioned charging letter to respondents Lloyds Trading Company, H. G. Lloyds, and Leon Barsamian, in Brussels, Belgium, said respondents filed an answer denying the charges but did not request an oral hearing. The respondents David Zetland, David Zetland Corporation, Cordova Export Corporation, and William N. Borkan requested an oral hearing on the charges without filing a written answer and such hearing was held, at which time the said respondents personally appeared, being represented by counsel, and oral and documentary evidence was presented to the Compliance Commissioner. Evidence in the possession of the Office of International Trade relating to the charges against the respondents Lloyds Trading Company, H. G. Lloyds, and Leon Barsamian was also presented at the hearing. All such evidence, together with the answer filed

by the last named respondents, was carefully considered by the Compliance Commissioner who has filed his report thereon dated May 4, 1951, with the Assistant Director for Export Supply, Office of International Trade.

It appears from the record and the Compliance Commissioner's report that the respondent David Zetland Corporation is entirely owned and controlled by the respondent David Zetland and that at all times relative to this proceeding said respondents have been engaged in the United States in the conduct of a general import and export business; that on October 28, 1949, the firm of Gebruder Grob in Zurich, Switzerland, placed an order with said respondents for 656 steel roller bearings, which order Gebruder Grob amended on November 4, 1949, by eliminating certain types of bearings and reducing the total quantity to 541; that, at approximately the same time, the said respondents received another order for a total of 834 ball and roller bearings from the firm of Julius Marks in Zurich, Switzerland; that in an effort to secure the bearings for which it had received orders, said respondents entered into a written agreement with the respondent William N. Borkan who had certain connections with S. K. F. Industries, a firm manufacturing bearings, whereby William N. Borkan agreed to act as intermediary for respondents David Zetland and David Zetland Corporation with S. K. F. Industries in the procurement of approximately \$100,000 worth of bearings, in consideration for which service the said William N. Borkan would receive a commission of 5 percent of the total value of the order; that thereafter, on November 22, 1949, an application for an export license was filed by S. K. F. Industries covering 812 roller bearings, of a total value of \$109,227.30, for shipment to Gebruder Grob, as purchaser and ultimate consignee, in Zurich, Switzerland, which application contained the notation that David Zetland Corporation was placing such order on behalf of Gebruder Grob and that it was based on a verbal order from William N. Borkan; that the 812 bearings covered by this application included all of those in both the original and revised orders from Gebruder Grob, as well as 156 of the bearings which had been ordered by the firm of Julius Marks; that while the above application was still pending in the Office of International Trade, a second application for an export license was filed on January 11, 1950, by S. K. F. Industries covering the shipment of 82 roller bearings to Danzas and Company, as purchaser and ultimate consignee, in Zurich, Switzerland, which application contained the notation that Electra Trading, Inc., New York City, was placing such order on behalf of Danzas and Company and that it was based on a verbal order from William N. Borkan; that the 82 bearings covered by the second application were a portion of those in the revised order from Gebruder Grob of November 4, 1950, to respondents David Zetland and David Zetland Corporation and were previously included in the first license application; that Electra Trading, Inc., referred to in the sec-

## NOTICES

ond application, was the name of a business partnership under which the respondent David Zetland and another individual were operating at the time this application was filed; that at no time did either Electra Trading, Inc., or respondent David Zetland hold an order from Danzas and Company for the 82 bearings covered by said application.

It also appears from the record and the Compliance Commissioner's report that before action was taken by the Office of International Trade on either of the first two applications, the respondent David Zetland communicated by telephone with respondent Leon Barsamian, one of the co-owners of Lloyds Trading Company, a company engaged in the conduct of a general import and export business in Belgium, and as a result of such telephone communication it was agreed that an order for 82 steel roller bearings would be sent by Lloyds Trading Company to Cordova Export Corporation and that Lloyds Trading Company would be designated as the purchaser and ultimate consignee, and Belgium as the country of ultimate destination of said bearings on an application for an export license to be filed by Cordova Export Corporation; that, thereafter, the respondent David Zetland advised William N. Borkan that he had arranged a sale of the bearings to Lloyds Trading Company in Belgium and that Lloyds Trading Company would send Cordova Export Corporation, of which William N. Borkan was the secretary-treasurer, an order for the bearings; that on January 27, 1950, a third application for the bearings was filed, at the direction of respondent David Zetland, said application being signed by respondent William N. Borkan as treasurer of Cordova Export Corporation and naming Cordova Export Corporation as the applicant, Lloyds Trading Company as the purchaser and ultimate consignee, and Belgium as the country of ultimate destination, in accordance with the representations communicated to said Cordova Export Corporation and William N. Borkan by the respondents David Zetland, Lloyds Trading Company and Leon Barsamian; that in accordance with the telephone agreement between respondents David Zetland and Leon Barsamian, and a letter from David Zetland to Leon Barsamian in which formal request was made for the order for 82 bearings to Cordova Export Corporation, such order was sent to Cordova Export Corporation by respondent Lloyds Trading Company; that said order for 82 bearings was sent, and agreement to be designated as purchaser and ultimate consignee of said bearings on a license application to be filed by Cordova Export Corporation made by respondents Lloyds Trading Company and Leon Barsamian without any intention on the part of said respondents either to abide by and fulfill the terms and provisions of said order or to be in fact the purchaser or ultimate consignee of the said bearings, but were done solely at the request of respondent David Zetland and for the purpose of providing Cordova Export Corporation with necessary support for its license application; that, in reliance on the representations of respondents Lloyds Trading Company, Leon Barsamian, and

David Zetland contained in the above application for an export license, the Office of International Trade issued a validated export license to Cordova Export Corporation, as licensee, authorizing shipment of the said bearings to Lloyds Trading Company, as the purchaser and ultimate consignee, and Belgium as the country of ultimate destination; that thereafter, on or about February 17, 1950, the respondent Cordova Export Corporation shipped from Philadelphia under the above license 82 steel roller bearings, of a total value of \$12,376, to Lloyds Trading Company in Belgium; that a shipper's export declaration covering said shipment declared Lloyds Trading Company to be the ultimate consignee and Antwerp, Belgium, to be the place and country of ultimate destination; that such declarations on the shipper's export declaration were certified true and correct by William N. Borkan, as treasurer and duly authorized officer of the exporter, Cordova Export Corporation; that a letter from the supplier, S. K. F. Industries, to Cordova Export Corporation, relative to this transaction, directed that documents in connection with the said shipment were to be sent to respondent David Zetland.

It further appears from the record and the Compliance Commissioner's report that respondent David Zetland preceded the bearings to Belgium, arriving there on or about February 12, 1950; that on or about February 14, 1950, the respondent David Zetland proceeded from Belgium to Switzerland and there conferred with the firm of Gebruder Grob regarding the purchase of the bearings; that thereafter, on February 22, 1950, the respondent David Zetland, together with the respondents Lloyds Trading Company, H. G. Lloyds, and Leon Barsamian, arranged for a transhipment of the bearings, upon their arrival in Belgium, from that country to Switzerland pursuant to instructions given the respondent David Zetland by the firm of Gebruder Grob; that subsequently, upon the arrival of the 82 bearings at Antwerp, Belgium, the said 82 bearings were in fact transshipped from Belgium to Switzerland in accordance with the arrangements previously made for such transhipment by the respondents David Zetland, Lloyds Trading Company, H. G. Lloyds, and Leon Barsamian; that on April 12, 1950, the respondents David Zetland and David Zetland Corporation received \$14,250 from the firm of Gebruder Grob in Switzerland in payment for the 82 bearings which had been transshipped from Belgium to that firm; that by letter dated April 19, 1950, the firm of Gebruder Grob advised the respondents David Zetland and David Zetland Corporation that the 82 bearings which it had received transshipped from Belgium formed a part of Gebruder Grob's original order to said respondents of November 1949; that upon consummation of the transhipment of the bearings from Belgium to Switzerland and payment therefor to respondents David Zetland and David Zetland Corporation, said respondents sent \$247.87 to the respondent Lloyds Trading Company, such amount representing a 2 percent com-

mission to the respondent Lloyds Trading Company for its part in the transaction.

It further appears from the record and the Compliance Commissioner's report that the respondents David Zetland and David Zetland Corporation made, or caused to be made, false representations to the Office of International Trade on the three applications filed on behalf of said respondents; that on the first application, said respondents represented that they held an order from the firm of Gebruder Grob for 812 bearings when in fact 156 of these bearings had been ordered by the firm of Julius Marks and not by Gebruder Grob and 115 more, although originally ordered by Gebruder Grob, had been cancelled by that firm prior to the filing of the said application; that on the second application, said respondents represented that they held an order for 82 bearings from the firm of Danzas and Company when in fact they held no order whatsoever from that firm; that on the third application, said respondents represented that Lloyds Trading Company was the purchaser and ultimate consignee, and Belgium the country of ultimate destination of the bearings when none of this was in fact true, such representations being made merely for the purpose of inducing the Office of International Trade to take favorable action on the application and thereby provide respondents David Zetland and David Zetland Corporation with the means for effecting a shipment and subsequent transhipment of the bearings from Belgium to Switzerland in order to fill a portion of Gebruder Grob's order; that all of such false representations made or caused to be made by the respondents David Zetland Corporation and David Zetland, in the three applications for export licenses referred to above, were made with knowledge and intent on the part of said respondents for the purpose of inducing the Office of International Trade to take favorable action on said applications; that upon the shipment of the 82 bearings to Belgium by the respondent Cordova Export Corporation under the export license issued to it by the Office of International Trade, the respondents David Zetland and David Zetland Corporation effected the transhipment of said 82 bearings from Belgium to Switzerland; that respondents David Zetland and David Zetland Corporation, by wilfully making or causing to be made the above mentioned misrepresentations in the three applications for export licenses filed on behalf of said respondents, and by effecting the subsequent transhipment of the 82 bearings from Belgium to Switzerland, did, in each instance, thereby violate the laws and regulations relating to export control.

It further appears from the record and the Compliance Commissioner's report that respondents Lloyds Trading Company and Leon Barsamian, by the agreement of said respondents to send an order from Lloyds Trading Company for 82 steel roller bearings to Cordova Export Corporation and to be designated as purchaser and ultimate consignee of said bearings on an application for an export license to be submitted to the

Office of International Trade by Cordova Export Corporation for the shipment of said 82 bearings, falsely represented such order as bona fide and such designation as purchaser and ultimate consignee to be a fact; that said respondents Lloyds Trading Company and Leon Barsamian had no intention at any time of abiding by the terms and provisions of the said order to Cordova Export Corporation or of being in fact the purchaser and ultimate consignee of the 82 steel roller bearings but made such misrepresentations solely for the purpose of providing Cordova Export Corporation with the necessary support for its license application; that by the incorporation of said false representations in the application for an export license filed by respondent Cordova Export Corporation, the respondents Lloyds Trading Company and Leon Barsamian thereby made such false representations to the Office of International Trade; that upon shipment of the 82 steel roller bearings by Cordova Export Corporation to Lloyds Trading Company in Belgium, under the export license issued to the said Cordova Export Corporation pursuant to its application referred to above, the respondents Lloyds Trading Company, H. G. Lloyds, and Leon Barsamian assisted in effecting the transshipment of said 82 roller bearings from Belgium to Switzerland; that respondents Lloyds Trading Company, H. G. Lloyds, and Leon Barsamian, by making or causing to be made, the aforesaid misrepresentations to the Office of International Trade in the application for an export license filed by Cordova Export Corporation, and by assisting in effecting the subsequent transshipment of the 82 steel roller bearings from Belgium to Switzerland, did, in each instance, thereby violate the laws and regulations relating to export control.

It further appears from the record and the Compliance Commissioner's report that respondent Cordova Export Corporation, as licensee on the export license issued by the Office of International Trade pursuant to the application of said respondent on January 27, 1950, and respondent William N. Borkan, as secretary-treasurer of Cordova Export Corporation and duly authorized officer of said corporation in its capacity as exporter under the license, failed to take necessary precautions to see that the 82 bearings authorized for shipment by the license were actually exported in accordance with the specific authorization of said license, said respondents thereby violating the laws and regulations relating to export control.

The Compliance Commissioner has therefore recommended that all outstanding export licenses in which respondents or any of them appear as a party in any capacity, whether as licensee, consignor, forwarder, intermediate consignee, ultimate consignee, or otherwise, be forthwith revoked and ordered returned to the Office of International Trade for cancellation; that respondents David Zetland Corporation and David Zetland be denied for a period of one year, such period to run from March 1, 1951, respondents Lloyds Trading Company, H. G. Lloyds and Leon Barsamian

be denied for a period of nine months, and respondents Cordova Export Corporation and William N. Borkan be denied for a period of 30 days, the privilege of obtaining or using, or participating directly or indirectly, either as licensee, consignor, forwarder, intermediate consignee, ultimate consignee, or otherwise in any capacity as a party in the obtaining or using of export licenses, including general licenses as well as validated licenses, for shipment from the United States to any destination of any commodity; that said respondents and each of them be declared ineligible to be a party to any exportation from the United States for the periods specified as to each above, and that during such periods, as they apply to the respective respondents, the Office of International Trade issue no export licenses and collectors of customs authenticate no shipper's export declarations, and no exportations be made or permitted, in which said respondents appear or participate as licensee, consignor, forwarder, intermediate consignee, ultimate consignee, or otherwise in any capacity to the exportation of any commodity; and that such denial of export license and forwarding privileges extend, for the periods specified as to each respondent, not only to the said respondents, but also, for like periods, to any person, trade name, firm, corporation, or other business organization with which such respondents or any of them may be now or hereafter related by ownership or control or with which they are any of them may hold a position of responsibility involving the preparation, filing, procurement, or use of any export control documents or the supervision of any persons so engaged.

The report of the Compliance Commissioner has been carefully considered, together with the record in this case, and it appears that the findings of the Compliance Commissioner are supported by the record and that his recommendations are fair and reasonable and should be adopted, except in respect of his recommendations concerning respondents David Zetland Corporation and David Zetland. The Assistant Director for Export Supply has concluded from his study of the record and report of the Compliance Commissioner that respondents David Zetland and David Zetland Corporation have so flagrantly demonstrated by their various actions herein a disregard for the export control law and regulations where they appeared to affect their ability to complete what was, in their view, a desirable export transaction, as to require the imposition of a suspension of all export privileges for the duration of export controls. While the Assistant Director for Export Supply has concluded that this course is necessary in order to safeguard the purposes of export controls, it is his view that respondents David Zetland and David Zetland Corporation may appropriately be afforded the privilege of applying to the Office of International Trade for a modification of such suspension after the expiration of one year from the date of this order. In view of the extent of the suspension of respondents David Zetland and David Zetland Corporation, as deter-

mined herein, and because of the temporary suspension heretofore issued and now outstanding against them, it is unnecessary to have such suspension commence as of March 1, 1951.

Now, therefore, It is ordered as follows:

(1) All outstanding export licenses in which respondents or any of them appear as a party in any capacity, whether as licensee, consignor, forwarder, intermediate consignee, ultimate consignee, or otherwise, are hereby revoked and shall be forthwith returned to the Office of International Trade for cancellation.

(2) Respondents David Zetland Corporation and David Zetland are hereby denied for the duration of export controls, respondents Lloyds Trading Company, H. G. Lloyds and Leon Barsamian are hereby denied for a period of nine months, and respondents Cordova Export Corporation and William N. Borkan are hereby denied for a period of 30 days, all commencing as of the date of this order, the privilege of obtaining or using, or participating directly or indirectly, either as licensee, consignor, forwarder, intermediate consignee, ultimate consignee, or otherwise in any capacity as a party in the obtaining or using of export licenses, including general licenses as well as validated licenses, for shipment from the United States to any destination of any commodity.

(3) Respondents David Zetland Corporation, David Zetland, Lloyds Trading Company, H. G. Lloyds, Leon Barsamian, Cordova Export Corporation and William N. Borkan, and each of them, are hereby further declared ineligible to be a party to any exportation from the United States for the periods specified as to each above, and during such periods the Office of International Trade shall issue no export licenses and collectors of customs shall authenticate no shipper's export declarations, and no exportations shall be made or permitted in which said respondents appear or participate as licensee, consignor, forwarder, intermediate consignee, ultimate consignee, or otherwise in any capacity to the exportation of any commodity.

(4) Such revocation and denial of export license and forwarding privileges shall extend, for the periods specified as to each respondent, not only to the said respondents, but also, for like periods, to any person, trade name, firm, corporation, or other business organization with which such respondents or any of them may be now or hereafter related by ownership or control or with which they or any of them may hold a position of responsibility involving the preparation, filing, procurement or use of any export control documents or the supervision of any persons so engaged.

(5) Respondents David Zetland and David Zetland Corporation are hereby accorded the privilege of applying to the Office of International Trade for modification of this order after the expiration of one year from the date of this order.

Dated: May 28, 1951.

JOHN C. BORTON,  
Assistant Director for Export Supply.  
[F. R. Doc. 51-6455; Filed, June 4, 1951;  
8:47 a. m.]

**CIVIL AERONAUTICS BOARD**

[Docket No. SA-235]

ACCIDENT OCCURRING AT NEWARK AIRPORT,  
NEWARK, N. J.

## NOTICE OF HEARING

In the matter of investigation of accident involving aircraft of United States Registry N-90896, which occurred at Newark Airport, Newark, New Jersey, on May 21, 1951.

Notice is hereby given, pursuant to the Civil Aeronautics Act of 1938, as amended, particularly section 702 of said act, in the above-entitled proceeding that hearing is hereby assigned to be held on Wednesday, June 6, 1951, at 9:00 a. m., e. d. t., in Rooms 323-325, Federal Building, New York International Airport, Jamaica, New York.

Dated at Washington, D. C., May 29, 1951.

[SEAL] ROBERT W. CHRISP,  
Presiding Officer.[F. R. Doc. 51-6456; Filed, June 4, 1951;  
8:47 a. m.]**FEDERAL COMMUNICATIONS  
COMMISSION**

## OFFICE OF CHIEF ACCOUNTANT

## REVISION OF ORDER DEFINING FUNCTIONS

At a session of the Federal Communications Commission held at its offices in Washington, D. C., on the 29th day of May 1951;

*It is ordered*, Under the authority of the Communications Act of 1934, as amended, that paragraph C. 1 (c) of the Commission's order of May 2, 1951, defining the functions of the Office of Chief Accountant is revised to read as follows:

(c) Prepares studies, or suggests studies to the Bureaus, in order to provide an over-all view of the structure and operations of the communications industries, for the assistance of the Commission, the industry, and the public.

The effective date of this order shall be the 4th day of June 1951.

Released: May 29, 1951.

FEDERAL COMMUNICATIONS  
COMMISSION,[SEAL] T. J. SLOWIE,  
Secretary.[F. R. Doc. 51-6463; Filed, June 4, 1951;  
8:49 a. m.]

[Designation Order 58]

DESIGNATION OF MOTIONS COMMISSIONER  
FOR JUNE 1951

At a session of the Federal Communications Commission held at its offices in Washington, D. C., on the 23d day of May 1951;

*It is ordered*, Pursuant to section 0.111 of the Statement of Delegations of Authority, that E. M. Webster, Commissioner, is hereby designated as Motions Commissioner for the month of June 1951.

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*It is further ordered*, That in the event said Motions Commissioner is unable to act during any part of said period the Chairman or Acting Chairman will designate a substitute Motions Commissioner.

FEDERAL COMMUNICATIONS  
COMMISSION,[SEAL] T. J. SLOWIE,  
Secretary.[F. R. Doc. 51-6464; Filed, June 4, 1951;  
8:49 a. m.]**FEDERAL POWER COMMISSION**

[Docket Nos. G-1382, G-1533, G-1607]

## NORTHERN NATURAL GAS CO.

## ORDER POSTPONING DATE OF HEARING

On May 25, 1951, Northern Natural Gas Company filed a motion requesting postponement of the date of hearing in the above proceedings now set to resume on June 4, 1951, until June 18, 1951.

The Commission finds: The schedule of hearings now pending will not permit an extension of time for hearing in the above proceedings beyond June 11, 1951.

The Commission orders: The hearing in the above-entitled dockets now set to commence on June 4, 1951, at 10:00 a. m., in the Hearing Room of the Federal Power Commission, 1800 Pennsylvania Avenue NW, Washington, D. C., be and the same hereby is postponed to commence on June 11, 1951, at 10:00 a. m., e. d. s. t., at the same place.

Date of issuance: May 29, 1951.

By the Commission.

[SEAL] LEON M. FUQUAY,  
Secretary.[F. R. Doc. 51-6460; Filed, June 4, 1951;  
8:48 a. m.]

[Docket No. G-1679]

## HOPE NATURAL GAS CO.

## ORDER FIXING DATE OF HEARING

On April 25, 1951, Hope Natural Gas Company (Applicant), a West Virginia corporation having its principal place of business at Clarksburg, West Virginia, filed an application for a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act, as amended, authorizing the installation of one additional 1,100 horsepower gas engine compressor unit and the operation of said additional compressor unit as an auxiliary unit in Applicant's natural-gas transmission pipeline system, all as more fully described in such application on file with the Commission and open to public inspection.

The Commission finds: This proceeding is a proper one for disposition under the provisions of § 1.32 (b) (18 CFR 1.32 (b)) of the Commission's rules of practice and procedure. Applicant having requested that its application be heard under the shortened procedure provided by the aforesaid rule for non-contested proceedings, and no request to be heard, protest or petition having been filed subsequent to the giving of due notice of the

filings of the application including publication in the FEDERAL REGISTER on May 9, 1951 (16 F. R. 4279).

The Commission orders:

(A) Pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, as amended, and the Commission's rules of practice and procedure, a hearing be held on June 19, 1951, at 9:45 a. m., e. d. s. t., in the Hearing Room of the Federal Power Commission, 1800 Pennsylvania Avenue NW, Washington, D. C., concerning the matters involved and the issues presented by such application: *Provided, however*, That the Commission may, after a non-contested hearing, forthwith dispose of the proceeding pursuant to the provisions of § 1.32 (b) of the Commission's rules of practice and procedure.

(B) Interested State commissions may participate as provided by §§ 1.8 and 1.37 (f) (18 CFR 1.8 and 1.37 (f)) of the said rules of practice and procedure.

Date of issuance: May 29, 1951.

By the Commission.

[SEAL] LEON M. FUQUAY,  
Secretary.[F. R. Doc. 51-6459; Filed, June 4, 1951;  
8:48 a. m.]**INTERSTATE COMMERCE  
COMMISSION**

[4th Sec. Application 26130]

METAL CANS OR DRUMS FROM KANSAS  
CITY, MO.-KANS., TO WICHITA, KANS.

## APPLICATION FOR RELIEF

MAY 31, 1951.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: L. E. Kipp, Agent, for Midland Valley Railroad Company and Missouri-Kansas-Texas Railroad Company.

Commodities involved: Cans or drums, also lard pails, tin, iron or steel, carloads.

From: Kansas City, Mo.-Kans.

To: Wichita, Kans.

Grounds for relief: Circuitous routes and competition with rail carriers.

Schedules filed containing proposed rates: L. E. Kipp's tariff I. C. C. No. A-3748, Supp. 47.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing,

upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL,  
Secretary.

[F. R. Doc. 51-6447; Filed, June 4, 1951;  
8:46 a. m.]

[4th Sec. Application 26131]

WELDING BARS, RODS, OR WIRE FROM  
POINTS IN OFFICIAL AND WESTERN  
TRUNK-LINE TERRITORIES TO COLORADO  
AND WYOMING

APPLICATION FOR RELIEF

MAY 31, 1951.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: L. E. Kipp, Agent, for carriers parties to fourth-section applications Nos. 22782 and 24079.

Commodities involved: Bars, rods or wire, welding, flux coated, carloads.

From: Points in official and western trunk-line territories.

To: Points in Colorado and Wyoming.  
Grounds for relief: To apply over short tariff routes rates constructed on the basis of the short line distance formula, and to maintain grouping.

Schedules filed containing proposed rates: L. E. Kipp's tariff I. C. C. No. A-3600 Supp. 118; L. E. Kipp's tariff I. C. C. No A-3614, Supp. 115; L. C. Schuldt's tariff I. C. C. No. 4211, Supp. 11; C. W. Boin's tariff I. C. C. No. 814, Supp. 42; I. N. Doe's tariff I. C. C. No. 604, Supp. 1.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL,  
Secretary.

[F. R. Doc. 51-6448; Filed, June 4, 1951;  
8:46 a. m.]

[4th Sec. Application 26132]

CEMENT FROM NORTHAMPTON AND YORK,  
PA., TO McALLEN, TEX.

APPLICATION FOR RELIEF

MAY 31, 1951.

The Commission is in receipt of the above-entitled and numbered applica-

tion for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: D. Q. Marsh, Agent, for carriers parties to his tariff I. C. C. No. 3856.

Commodities involved: Cement, carloads.

From: Northampton (Navarro) and York, Pa.

To: McAllen, Tex.

Grounds for relief: Competition with rail carriers.

Schedules filed containing proposed rates; D. Q. Marsh's tariff I. C. C. No. 3856, Supp. 19.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL,  
Secretary.

[F. R. Doc. 51-6449; Filed, June 4, 1951;  
8:47 a. m.]

formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL,  
Secretary.

[F. R. Doc. 51-6450; Filed, June 4, 1951;  
8:47 a. m.]

[4th Sec. Application 26134]

CATALOGS FROM LOUISVILLE, KY., TO  
OFFICIAL TERRITORY

APPLICATION FOR RELIEF

MAY 31, 1951.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: L. C. Schuldt, Agent, for carriers parties to his tariff I. C. C. No. 4252, pursuant to fourth-section order No. 9800.

Commodities involved: Catalogs and catalog sections, carloads.

From: Louisville, Ky.

To: Points in Illinois, Michigan, Ohio, and West Virginia.

Grounds for relief: Competition with rail carriers and circuitous routes.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL,  
Secretary.

[F. R. Doc. 51-6451; Filed, June 4, 1951;  
8:47 a. m.]

SECURITIES AND EXCHANGE  
COMMISSION

[File No. 54-168]

ELECTRIC BOND AND SHARE CO.

ORDER CONTAINING RECITALS IN ACCORDANCE  
WITH SUPPLEMENT R OF INTERNAL REVENUE CODE

At a regular session of the Securities and Exchange Commission, held at its office in the city of Washington, D. C., on the 29th day of May, A. D., 1951.

Electric Bond and Share Company ("Bond and Share"), a registered holding company, being the owner of

## NOTICES

137,417 shares of the common stock of Florida Power & Light Company ("Florida"), and Bond and Share being under commitment to dispose of said shares, having notified the Commission pursuant to Rule U-44 (c) of the rules and regulations promulgated under the Public Utility Holding Company Act of 1935, of its intention to dispose of 115,508 shares of its holdings of the common stock of Florida through a dividend on the common stock of Bond and Share payable June 30, 1951, to stockholders of record as of May 31, 1951, in shares of the common stock of Florida at the rate of 2.2 shares of the Florida stock for each 100 shares of Bond and Share common stock; and

Said notice also setting forth that fractional shares of the Florida stock will not be delivered but that in lieu thereof Bond and Share will instruct its dividend agent to sell for the account of stockholders the number of shares of Florida stock that would otherwise be delivered as fractional shares and to pay the proceeds from such sale to stockholders of Bond and Share entitled thereto; and Bond and Share having also made arrangements with its dividend agent to facilitate the sale on behalf of stockholders of Bond and Share of small lots of the Florida stock (less than 5 shares) to which such Bond and Share stockholders would be entitled, and to pay the proceeds from such sale to the stockholders entitled thereto; and

Bond and Share having requested that the Commission issue an order containing findings and recitations in accordance with the meaning and requirements of the Internal Revenue Code, as amended, including Section 1808 (f) and Supplement R thereof; and

The Commission having notified Bond and Share pursuant to said Rule U-44 (c) that no declaration need be filed with respect to the proposed transactions.

*It is ordered and recited,* That the payment by Electric Bond and Share Company as a dividend to its stockholders of 115,508 shares of common stock of Florida Power & Light Company is necessary or appropriate to the integration or simplification of the holding company system of which Electric Bond and Share Company is a member and is necessary or appropriate to effectuate the provisions of section 11 (b) of the Public Utility Holding Company Act of 1935 and in accordance with the meaning and requirements of the Internal Revenue Code and section 1808 (f) and Supplement R thereof.

By the Commission.

[SEAL]

ORVAL L. DUBOIS,  
Secretary.

[F. R. Doc. 51-6438; Filed, June 4, 1951;  
8:45 a. m.]

[File No. 54-195]

PHILADELPHIA CO. AND EQUITABLE REAL  
ESTATE CO.

NOTICE OF FILING OF PLAN FOR LIQUIDATION  
AND DISSOLUTION

At a regular session of the Securities and Exchange Commission, held at its

office in the city of Washington, D. C., on the 25th day of May 1951.

Notice is hereby given that a joint application has been filed with this Commission relating to a plan for the liquidation and dissolution of Equitable Real Estate Company ("Real Estate"), a non-utility company, by Real Estate and its parent, Philadelphia Company ("Philadelphia"), a registered holding company and a subsidiary of Standard Gas and Electric Company and Standard Power and Light Corporation, both registered holding companies. Applicants have designated section 11 (e) of the Public Utility Holding Company Act of 1935 ("act") as applicable to the proposed transactions.

Notice is further given that any interested person may, not later than June 21, 1951, at 5:30 p. m., request the Commission in writing that a hearing be held on such plan, stating the nature of his interest, the reasons for such request and the issues, if any, of fact or law raised by the plan which he desires to controvert or may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed to the Secretary, Securities and Exchange Commission, 425 Second Street NW, Washington 25, D. C. At any time thereafter the Commission may find that the plan, as filed or as amended, is fair and equitable to the persons affected thereby and necessary to effectuate the provisions of section 11 (b) of the act, and may enter an order approving the plan.

All interested persons are referred to the plan, which is on file in the office of the Commission, for a statement of the transactions therein proposed, which may be summarized as follows:

Real Estate, a Pennsylvania Corporation, owns and operates a nine-story office building in downtown Pittsburgh, Pennsylvania, commonly known as the Central Office building of the Philadelphia system, which is occupied by Philadelphia and its subsidiaries, by companies formerly gas subsidiaries of Philadelphia, and by Philadelphia's parent, Standard Gas and Electric Company. Real Estate also owns a garage, a parking lot, a frame house and a lot in Pittsburgh, the garage being leased to Equitable Auto Company and Pittsburgh Railways Company, both affiliated companies, and the other properties being leased to non-affiliated interests.

The outstanding securities of Real Estate consist of 20,000 shares of capital stock, par value \$50 per share, six non-interest bearing promissory notes in the aggregate unpaid principal amount of \$635,000, and a 4 percent mortgage bond, having a remaining unpaid principal amount of \$813,680.54 at March 31, 1951, payable in semi-annual installments until November 1957. Philadelphia is the beneficial owner of all of the outstanding shares of capital stock and is also the payee and owner of the six unpaid promissory notes, such notes having matured during the period December 1, 1937, to December 1, 1941, inclusive. The 4 percent mortgage bond, which is secured by a first mortgage on the Central Office building property, is held by Mellon Na-

tional Bank and Trust Company, Pittsburgh, Pennsylvania.

Real Estate's assets, which consist of cash, marketable securities, receivables and real property, had a value per books at March 31, 1951, of \$3,364,076.39 of which \$3,258,341.91 represented real property, both figures reflecting the deduction of the applicable property depreciation reserve in the amount of \$1,144,296.24. Included in the net amount shown for real property is a net value per books of \$2,678,837.30 for the Central Office building property, of which \$438,135.13 represents excess cost paid by Real Estate, over the cost of acquisition to the first system company acquiring the property, at the time Real Estate acquired a portion of the property from such company, and of which \$503,-113.72 represents the remaining balance of an upward revaluation of the property made by Real Estate based upon an appraisal made in 1927. Real Estate's liabilities, other than the outstanding capital stock and notes held by Philadelphia, consist of the publicly held 4 percent mortgage bond in the amount of \$813,680.54 and current liabilities of \$173,787.67.

The plan proposes that Real Estate will wind up and settle its affairs and dissolve pursuant to the voluntary dissolution provisions of the Pennsylvania Business Corporation Law. In accordance with the provisions of that statute, the plan provides (a) for the assumption by Philadelphia of all of the debts, obligations and liabilities of Real Estate, including Real Estate's obligations under its 4 percent mortgage bond and the release and discharge of Real Estate from all its debts, obligations and liabilities, (b) the transfer, conveyance and distribution in kind to Philadelphia of all of Real Estate's property and assets, subject to all liens and encumbrances on such property and assets, in complete cancellation and redemption of all the outstanding shares of capital stock of Real Estate and (c) the dissolution of Real Estate and the termination of its corporate existence. The plan also provides that the liquidation of Real Estate and the distribution of its assets shall be completed in such manner as to comply with the provisions of section 112 (b) (6) of the Internal Revenue Code.

Applicants state that the property and assets received by Philadelphia from Real Estate will be recorded on the books of Philadelphia at the cost of acquisition thereof to the first company in the Philadelphia holding company system which acquired such property and assets.

Philadelphia and Real Estate state that the transactions proposed are in conformity with Step III of the Plan, dated February 8, 1951, For Compliance By Standard Gas and Electric Company and Philadelphia Company With The Provisions Of Section 11 Of The Public Utility Holding Company Act of 1935, filed with this Commission at File No. 54-191. (See Holding Company Act Release No. 10413.)

Philadelphia and Real Estate state that no Commission other than this Commission has jurisdiction over the proposed transactions involved in carrying out the plan, that no fees will be paid

in connection therewith, and that expenses are estimated at not to exceed \$500.

Philadelphia and Real Estate request that the Commission's order approving the plan be entered at the earliest practicable date and that the Commission fix September 30, 1951, as the time by which the plan is to be consummated.

By the Commission.

[SEAL] NELLYE A. THORSEN,  
Assistant Secretary.

[F. R. Doc. 51-6436; Filed, June 4, 1951;  
8:45 a. m.]

[File No. 70-2618]

UNITED GAS CORP. ET AL.

ORDER EXTENDING MATURITIES OF CERTAIN  
SECURITIES

At a regular session of the Securities and Exchange Commission, held at its office in the city of Washington, D. C., on the 29th day of May, A. D., 1951.

In the matter of United Gas Corporation, United Gas Pipe Line Company, Union Producing Company; File No. 70-2618.

United Gas Corporation ("United"), a gas utility subsidiary of Electric Bond and Share Company, a registered holding company, and United's subsidiaries, United Gas Pipe Line Company ("Pipe Line") and Union Producing Company ("Union") having filed an application-declaration pursuant to the Public Utility Holding Company Act of 1935, particularly sections 6 (a), 7, 9 (a) (1), 10 and 12 thereof with respect to the following proposed transactions:

As of December 31, 1950, United had outstanding \$130,994,000 aggregate principal amount of First Mortgage and Collateral Trust Bonds, 1967 and 1970 series, issued under a Mortgage and Deed of Trust dated October 1, 1944, as supplemented. United owns all of the outstanding securities of Pipe Line and Union, which securities are pledged under the Mortgage and Deed of Trust, and include \$48,127,000 of Pipe Line's 4 percent first mortgage bonds, due 1962, and \$34,000,000 of Union's 6 percent debentures due 1952.

United and Pipe Line propose to enter into an agreement under which Pipe Line will issue to United \$48,127,000 principal amount of First Mortgage Bonds, 4 percent series, due 1971, in exchange for and discharge of a like principal amount of Pipe Line's outstanding First Mortgage Bonds, 4 percent series due 1962. The 1971 Bonds of Pipe Line will be deposited with the corporate trustee under United's Mortgage and Deed of Trust, and the 1962 Bonds of Pipe Line will be cancelled and discharged.

United and Union propose to enter into an agreement under which the maturity of \$34,000,000 principal amount of Union's 6 percent debentures due March 1, 1952, will be extended to March 1, 1971. Such extension will be effected by authorizing and directing the corporate trustee to appropriately stamp the 6 percent debentures due March 1, 1952.

No. 108—14

The application-declaration states that the purpose of the proposed transaction is to bring the maturities of United's subsidiaries' indebtedness into line with the maturities of United's bonds now outstanding as well as those which United contemplates issuing to finance the system's construction and expansion program.

Said application-declaration having been filed on April 24, 1951, notice of said filing having been given in the form and manner required by Rule U-23 promulgated pursuant to said act, the Commission not having received a request for hearing within the time specified in said notice or otherwise, and the Commission not having ordered a hearing thereon; and

The Commission finding that the proposed transactions are in accordance with the applicable standards of the act and that no adverse findings are necessary thereunder; the Commission deeming it appropriate to grant said application and permit said declaration to become effective without the imposition of terms and conditions; and the Commission also deeming it appropriate to grant applicant-declarant's request that the order herein become effective forthwith:

*It is ordered*, Pursuant to Rule U-23 and the applicable provisions of said act and the rules thereunder, that said application-declaration be, and the same hereby is, granted and permitted to become effective, forthwith, subject to the terms and conditions contained in Rule U-24.

By the Commission.

[SEAL] ORVAL L. DUBOIS,  
Secretary.

[F. R. Doc. 51-6437; Filed, June 4, 1951;  
8:45 a. m.]

[File No. 70-2628]

MICHIGAN-WISCONSIN PIPE LINE CO. AND  
AMERICAN NATURAL GAS CO.

ORDER AUTHORIZING ISSUANCE OF \$20,000,-  
000 RENEWAL NOTES AND 30,000 SHARES  
OF COMMON STOCK

At a regular session of the Securities and Exchange Commission, held at its office in the city of Washington, D. C., on the 29th day of May A. D. 1951.

Michigan-Wisconsin Pipe Line Company ("Michigan-Wisconsin"), a non-utility subsidiary of American Natural Gas Company ("American Natural"), a registered holding company, and American Natural having filed a joint application and an amendment thereto, pursuant to sections 6 (b) and 10 of the Public Utility Holding Company Act of 1935 ("act") and Rule U-50 (a) (2) promulgated thereunder, with respect to the following transactions:

In July 1950, pursuant to authorization of this Commission, Michigan-Wisconsin entered into a Credit Agreement with certain Banks (The National City Bank of New York, Central Hanover Bank and Trust Company, New York; and Mellon National Bank and Trust Company, Pittsburgh), under which it

has borrowed an aggregate of \$20,000,-000 on its notes maturing July 1, 1951. Under the terms of the Credit Agreement, at the option of the Company and with the approval of this Commission, the notes may upon ten days written notice be renewed upon the same terms and conditions for a period of one year from July 1, 1951. The Credit Agreement obligates the Company to prepay \$3,000,000 principal amount of the loans on or before June 30, 1951, if it has not by June 20, 1951, received \$3,000,000 through the sale of its preferred or common stock or through issuance of debt obligations subordinated to the bank loans.

Michigan-Wisconsin proposes, upon approval by the Commission, to extend its bank loans in the principal amount of \$20,000,000 for one year or until July 1, 1952, as permitted under the terms of the Credit Agreement. It is anticipated that the bank loans will be retired through permanent financing at an appropriate later time prior to the maturity date, as extended.

To satisfy the provisions of the Credit Agreement and to provide cash funds and an equity base for the contemplated future permanent financing Michigan-Wisconsin proposes at or before the extension of its notes to sell 30,000 shares of its common stock to American Natural for \$3,000,000 cash, an amount equal to the aggregate par value thereof. American Natural will make the investment from funds on hand, being available as a result of the sale in the latter part of 1950 of 304,486 additional shares of its common stock.

The application having been filed May 7, 1951, and notice of the filing of said application, as amended, having been issued in the form and manner prescribed by Rule U-23 promulgated under the act, and the last amendment having been filed on May 23, 1951, and the Commission not having received a request for a hearing with respect to said application, as amended, within the time specified in said notice, or otherwise, and not having ordered a hearing thereon; and

The Commission finding that the requirements of the applicable provisions of the act and the rules and regulations promulgated thereunder are satisfied, that no adverse findings are necessary thereunder, that no basis appears for imposing any terms and conditions in connection with our order other than those specified by Rule U-24, and deeming it appropriate in the public interest and in the interest of investors and consumers to grant the application, as amended; and

It appearing that the estimated fees and expenses, aggregating \$5,550, including counsel fees of \$750 payable to Sidney, Austin, Burgess & Smith, and service company fees of \$500 payable to American Natural Gas Service Company are not unreasonable and should be approved:

*It is ordered*, Pursuant to Rule U-23 and the applicable provisions of the Public Utility Holding Company Act of 1935, that said application, as amended, be, and it hereby is, granted, subject to the terms and conditions prescribed by Rule

## NOTICES

U-24, and that this order shall become effective upon its issuance.

By the Commission.

[SEAL] ORVAL L. DuBois,  
Secretary.

[F. R. Doc. 51-6439; Filed, June 4, 1951;  
8:45 a. m.]

[File No. 70-2637]

UNITED GAS CORP. AND UNITED GAS PIPE LINE CO.

NOTICE OF FILING AND NOTICE OF AND ORDER FOR HEARING

At a regular session of the Securities and Exchange Commission, held at its office in the city of Washington, D. C., on the 29th day of May A. D. 1951.

Notice is hereby given that United Gas Corporation ("United"), a gas utility subsidiary of Electric Bond and Share Company, and United's wholly-owned subsidiary, United Gas Pipe Line Company ("Pipe Line"), have filed an application-declaration pursuant to the Public Utility Holding Company Act of 1935 and have designated sections 6 (a), 7, 9 (a) (1), 10, and 12 thereof and Rules U-42 and U-50 of the rules and regulations promulgated thereunder as applicable to the proposed transactions, which are summarized as follows:

United and its subsidiaries are engaged in a construction program which, it is stated, will require the expenditure of approximately \$170,000,000 during the years 1951 and 1952 of which approximately \$12,200,000 is to be expended by United and approximately \$157,800,000 by Pipe Line.

The application-declaration sets forth an over-all financing program for the contemplated construction as follows: (1) The issuance and sale pursuant to a rights offering of 1,065,330 shares of common stock, (2) the issuance and sale at competitive bidding of \$100,000,000 principal amount of First Mortgage and Collateral Trust Bonds, and (3) the refinancing on a long term basis of United's presently outstanding bank loans aggregating \$25,000,000 presently due December 31, 1950. Pipe Line in turn proposes the issuance and sale to United of \$70,000,000 principal amount of its First Mortgage Bonds and \$55,000,000 principal amount of its debentures.

The steps immediately proposed to be taken are as follows:

(1) United proposes to amend its charter so as to increase its authorized common stock, of the par value of \$10 per share, from 10,700,000 shares to 12,000,000 shares.

(2) United proposes to offer its stockholders of record as of June 27, 1951, 1,065,330 shares of its common stock, at a price to be determined prior to the offering. Stockholders will be given the right to subscribe for and purchase one share of additional stock for each ten shares held on such record date, and will also be given a conditional over-subscription privilege to subscribe for shares of common stock not subscribed for on the primary offering. The subscription

rights and over-subscription privileges will be evidenced by a single form of transferable registered subscription warrant to be issued to stockholders as of the record date. Such warrants will expire approximately 20 days from the date of mailing thereof. The proposed offering will not be underwritten.

The application-declaration states that no fractional shares of common stock will be issued. Warrant holders, through the subscription agent, may purchase such additional subscription rights as are necessary for subscription to one additional full share of stock or may sell subscription rights in excess of those necessary for subscriptions to full shares of stock, such services to be without charge to the stockholders.

Electric Bond and Share Company, as the owner of 2,870,653 shares (26.95 percent) of the common stock of United, has advised United that it intends to exercise its subscription rights entitling it to purchase 287,065 shares of additional common stock, and that it may exercise its over-subscription privilege to the extent that such shares may be allotted to it.

(3) United proposes to issue and sell pursuant to the competitive bidding requirements of Rule U-50, \$50,000,000 principal amount of First Mortgage and Collateral Trust Bonds -- percent series due 1971, said bonds to be secured by United's Mortgage and Deed of Trust dated as of October 1, 1944 as supplemented by the First, Second and Third Supplemental Indentures and to be supplemented by a Fourth Supplemental Indenture.

Proceeds from the sale of bonds and common stock will be used to purchase securities from Pipe Line as set forth below.

(4) Pipe Line will issue and sell to United \$25,000,000 principal amount of its First Mortgage Bonds, 4 percent series, due June 1971, pursuant to its Mortgage and Deed of Trust dated as of September 25, 1944, as supplemented and to be supplemented by the First, Second, Third, Fourth and Fifth Supplemental Indentures. The bonds proposed to be issued to United by Pipe Line will be pledged under United's Mortgage and Deed of Trust.

Pursuant to a Debenture Agreement to be dated as of June 25, 1951, Pipe Line will sell to United \$45,000,000 principal amount of Pipe Line's 4 1/2 percent Sinking Fund Debentures due 1971.

Proceeds from the sale of Pipe Line's securities will be used for the following purposes:

(a) To repay \$7,000,000 principal amount of 3 percent promissory notes of Pipe Line now owned by United of which \$5,000,000 is pledged with the corporate trustee under United's Mortgage, and \$2,000,000 is held by United in its securities portfolio.

(b) The balance of approximately \$63,000,000 will be available to Pipe Line for use in connection with its construction program and for other general corporate purposes.

United and Pipe Line request approval of the proposed over-all financing program and the issuance of appropriate orders to carry out the step initially proposed, subject to the filing of appropriate

priate amendments with respect to the results of competitive bidding on the proposed sale of United's Bonds.

It appearing to the Commission that it is appropriate in the public interest, and in the interest of investors and consumers, that a hearing be held with respect to said application-declaration, and that said application-declaration shall not be granted or permitted to become effective except pursuant to further order of the Commission:

*It is ordered,* That a hearing on said joint application and declaration pursuant to the applicable provisions of the act and the rules of the Commission be held on June 12, 1951, at 10:00 a. m., e. d. s. t., at the offices of the Commission, 425 Second Street NW., Washington 25, D. C. On such date the hearing room clerk in Room 193 will advise as to the room in which such hearing will be held. Any persons desiring to be heard or otherwise wishing to participate in this proceeding shall file with the Secretary of the Commission on or before June 11, 1951, a request relative thereto as provided by Rule XVII of the Commission's rules of practice.

*It is further ordered,* That Edward C. Johnson or any other officer or officers of this Commission designated by it for that purpose shall preside at such hearing. The officer or officers so designated to preside at such hearing is hereby authorized to exercise all powers granted to the Commission under section 18 (c) of the act and to a hearing officer under the Commission's rules of practice.

The Public Utilities Division having advised the Commission that it has made a preliminary examination of the joint application and declaration and that upon the basis thereof the following matters and questions are presented for consideration, without prejudice to its specifying additional matters and questions upon further examination:

(1) Whether the securities proposed to be issued by United and Pipe Line are reasonably adapted to the security structures and earning power of said corporations, and whether the financing by the issue and sale of such securities is necessary or appropriate to the economic and efficient operation of the businesses in which such corporations are engaged.

(2) Whether the terms and conditions of the securities proposed to be issued are in accordance with the applicable standards of the act, particularly section 7 thereof.

(3) Whether the proposed acquisitions of securities meet the applicable standards of the act, particularly sections 9 (a), 10, and 12 thereof.

(4) Whether the fees and expenses to be paid in connection with the proposed issue and sale of the proposed securities are reasonable.

(5) Whether the proposed accounting treatment with respect to the transactions is appropriate and in conformity with sound accounting principles.

(6) Whether in the event the joint application and declaration shall be granted and permitted to become effective it is necessary or appropriate to impose any terms or conditions to assure compliance with the standards of the

act or in the public interest or for the protection of investors or consumers.

*It is further ordered*, That particular attention be directed at said hearing to the foregoing matters and questions.

*It is further ordered*, That the Secretary of the Commission shall serve a copy of this order by registered mail on the applicants and declarants herein, and that notice of said hearing shall be given to all other persons by general release of this Commission which shall be distributed to the press and mailed to the mailing list for releases issued under the Public Utility Holding Company Act of 1935, and by publication of this order in the FEDERAL REGISTER.

By the Commission.

[SEAL] ORVAL L. DUBois,  
Secretary.

[F. R. Doc. 51-6441; Filed, June 4, 1951;  
8:46 a. m.]

[File No. 70-2639]

APPALACHIAN ELECTRIC POWER CO. AND  
AMERICAN GAS AND ELECTRIC CO.

NOTICE OF FILING REGARDING ISSUANCE OF  
\$17,000,000 OF BONDS AND 1,600,000  
SHARES OF COMMON STOCK

At a regular session of the Securities and Exchange Commission, held at its office in the city of Washington, D. C., on the 29th day of May A. D. 1951.

Notice is hereby given that a joint application-declaration has been filed with this Commission pursuant to the Public Utility Holding Company Act of 1935 ("act") by American Gas and Electric Company ("American Gas"), a registered holding company, and its subsidiary, Appalachian Electric Power Company ("Appalachian"), an electric utility company. The filing designates sections 6, 10, and 12 of the act and Rule U-50 promulgated thereunder as being applicable to the proposed transactions.

Notice is further given that any interested person may not later than June 11, 1951, at 5:30 p. m., e. d. s. t., request the Commission in writing that a hearing be held on such matter, stating the nature of his interest, the reasons for such request, and the issues, if any, of fact or law proposed to be controverted, or he may request that he be notified if the Commission should order a hearing thereon. At any time after said date, this application-declaration, as filed or as amended, may be granted and permitted to become effective as provided in Rule U-23 of the rules and regulations promulgated under the act, or the Commission may exempt such transactions as provided in Rules U-20 and U-100 thereof. Any such request should be addressed: Secretary, Securities and Exchange Commission, 425 Second Street NW., Washington 25, D. C.

All interested persons are referred to this application-declaration which is on file in the office of this Commission for a statement of the transactions therein proposed, which are summarized as follows:

Appalachian proposes to issue and sell \$17,000,000 principal amount of its First

Mortgage Bonds ---- percent series, due 1981, to be issued under and secured by Appalachian's present indenture dated as of December 1, 1940, as heretofore supplemented, and to be supplemented by an indenture to be dated as of June 1, 1951. The bonds are to be sold pursuant to the competitive bidding requirements of Rule U-50, for a price to the company of not less than 100 percent nor more than 102½ percent of the principal amount thereof plus accrued interest.

Appalachian also proposes to issue and sell, and American Gas, the holder of all the issued and outstanding no par value common stock of Appalachian, proposes to acquire, 1,600,000 additional shares of such common stock for a cash consideration of \$10,500,000.

The filing states that Appalachian anticipates making expenditures of approximately \$29,000,000 in 1951, \$41,000,000 in 1952, and \$23,000,000 in 1953 for the construction of property additions. In order to finance such construction program, Appalachian will utilize the net proceeds from the sale of the new bonds and the additional common stock together with treasury cash. Appalachian estimates that, based on the present level of earnings and current expectation as to the progress of the construction program, it will be enabled to meet substantially all of the costs of its construction program through the year 1951. Further financing in connection with the construction program will be necessary, but the nature of such financing as well as its date and amount will depend on conditions at the time.

It is anticipated that \$5,000,000 of the net proceeds from the sale of securities will be applied to the prepayment, without premium, of a like aggregate principal amount of Notes Payable to Banks, issued for construction purposes.

Name of article	Purpose of request	Date received	Name and address of applicant
Lead-bearing ores, flue dust, and mattes of all kinds, and lead bullion or base bullion, lead in pigs and bars, lead dross, reclaimed lead, and scrap lead (pars 391 and 392, Tariff Act of 1930).	Increase in duty.	Feb. 16, 1951	Emergency Lead Committee, New York, N. Y.

By direction of the Commission.

DONN N. BENT,  
Secretary.

[F. R. Doc. 51-6433; Filed, June 4, 1951;  
8:45 a. m.]

## DEPARTMENT OF JUSTICE

### Office of Alien Property

AUTHORITY: 40 Stat. 411, 55 Stat. 839, Pub. Laws 322, 671, 79th Cong., 60 Stat. 50, 925; 50 U. S. C. and Supp. App. I, 616; E. O. 9193, July 6, 1942, 3 CFR, Cum. Supp., E. O. 9567, June 8, 1945, 3 CFR, 1945 Supp., E. O. 9788, Oct. 14, 1946, 11 F. R. 11981.

[Vesting Order 17867]

WILHEIMINE KATHARINA GRESHAM

In re: Funds owned by Wilheimine Katharina Gresham. F-28-31399.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Ex-

Appalachian is organized in Virginia and transacts its utility business in that State and in Tennessee and West Virginia. The joint application-declaration states that the issue and sale of the bonds of Appalachian are subject to the jurisdiction of the State Corporation Commission of Virginia and the Tennessee Railroad and Public Utilities Commission and the issue and sale of Appalachian common stock are subject to the jurisdiction of the said Commissions and of the Public Service Commission of West Virginia. According to the filing, orders of the three State Commissions approving the proposed issue and sale of securities will be supplied by amendment to the instant application-declaration upon issuance of such orders.

The filing requests that the order of the Commission herein granting the application and permitting effectiveness to the declaration become effective forthwith upon issuance thereof.

By the Commission.

[SEAL] ORVAL L. DUBois,  
Secretary.

[F. R. Doc. 51-6440; Filed, June 4, 1951;  
8:46 a. m.]

## UNITED STATES TARIFF COMMISSION

[List No. D-67]

EMERGENCY LEAD COMMITTEE

NOTICE OF DISMISSAL OF APPLICATION FOR  
INVESTIGATION

MAY 29, 1951.

Application as listed below heretofore filed with the Tariff Commission for investigation under the provisions of section 336 of the Tariff Act of 1930 has been denied and dismissed.

ecutive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Wilheimine Katharina Gresham whose last known address is Loehrstrasse 107, Coblenz, Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the property described as follows: Those funds presently on deposit with the Bureau of Accounts, Treasury Department, Washington, D. C. maintained in a special deposit account, entitled "Secretary of the Treasury, Proceeds of Withheld Foreign Checks", and representing the proceeds of a withheld check drawn at the direction of the Department of State for Wilheimine Katharina Gresham in the amount of \$407.22 as of January 1, 1947, together with any and all rights to demand, enforce and collect the aforesaid funds,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on

## NOTICES

account of, or owing to, or which is evidence of ownership or control by, Wilhelmine Katharina Gresham, the aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on May 18, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,  
Assistant Attorney General,  
Director, Office of Alien Property.

[F. R. Doc. 51-6410; Filed, June 1, 1951;  
8:50 a. m.]

[Vesting Order 17875]

TAKUTARO KUBOTA

In re: Cash owned by Takutaro Kubota.  
F-39-6699-E-1.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Takutaro Kubota, whose last known address is Japan, is a resident of Japan and a national of a designated enemy country (Japan);

2. That the property described as follows: Cash, in the amount of \$79.00, presently in the possession of the Treasury Department of the United States in Trust Fund Account, Symbol 158881, "Unclaimed Monies of Individuals Whose Whereabouts are Unknown", in the name of Takutaro Kubota, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Japan);

and it is hereby determined

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Japan).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on May 18, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,  
Assistant Attorney General,  
Director, Office of Alien Property.

[F. R. Doc. 51-6411; Filed, June 1, 1951;  
8:50 a. m.]

[Vesting Order 17879]

HANS F. F. SUESS

In re: Securities and bank accounts owned by Hans F. F. Suess. F-28-31430.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Hans F. F. Suess, whose last known address is c/o Standard Trading Company, Post Office Box Number 338, Kobe, Japan, is a resident of Japan and a national of a designated enemy country (Japan);

2. That the property described as follows:

a. One (1) City of Rio de Janeiro 2% (4½%) Bond, due 2012, of \$1,000.00 face value, numbered M 25613, presently held by Swiss Bank Corporation, New York Agency, 15 Nassau Street, New York 5, New York, in the name of Swiss Bank Corporation, Schaffhouse, together with any and all rights thereunder and thereto,

b. One (1) Canadian Pacific Railway Company 2½% Bond, due 1941, of \$1,000.00 face value, numbered BM 14633, presently held by Swiss Bank Corporation, New York Agency, 15 Nassau Street, New York 5, New York, in the name of Swiss Bank Corporation, Schaffhouse, together with any and all rights thereunder and thereto,

c. That certain debt or other obligation of Swiss Bank Corporation, New York Agency, 15 Nassau Street, New York 5, New York, in the amount of \$212.80, as of December 5, 1950, representing a portion of the sum of money on deposit with the aforesaid bank in an ordinary blocked account deposited in the name of Swiss Bank Corporation, Schaffhouse, and any and all accruals thereto and any and all rights to demand, enforce and collect the same, and

d. That certain debt or other obligation of Swiss Bank Corporation, New York Agency, 15 Nassau Street, New York 5, New York, in the amount of \$2,475.70, as of December 5, 1950, representing a portion of the sum of money on deposit

with the aforesaid bank in a General Ruling No. 6/17 account in the name of Swiss Bank Corporation, Schaffhouse, and any and all accruals thereto and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, Hans F. F. Suess, the aforesaid national of a designated enemy country (Japan);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Japan).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on May 18, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,  
Assistant Attorney General,  
Director, Office of Alien Property.

[F. R. Doc. 51-6412; Filed, June 1, 1951;  
8:50 a. m.]

[Vesting Order 53, Amdt.]

HARA AND CO.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended and Executive Order 9788, and pursuant to law, after investigation, Vesting Order 53, as amended, is hereby further amended to read as follows:

It is hereby found:

1. That Hara and Company, whose principal place of business is in Yokohama, Japan, is a partnership organized under the laws of Japan, composed of the individuals named in subparagraph 2 hereof, and is a national of a designated enemy country (Japan);

2. That Ryozabura Hara, Tasaburo Hara, Takeo Saigo, Kenichiro Saigo and Sue Hara, whose last known addresses are Yokohama, Japan, are residents of Japan and nationals of a designated enemy country (Japan);

3. That Hara and Company has an established agency or branch office at New York, New York, which is engaged in the conduct of business within the

United States and is a business enterprise within the United States;

4. That on February 10, 1942, the War Production Board, pursuant to Requisition WPB No. 2B-WPB-47-55/41, requisitioned 536 bales and 12 books of silk as property of Hara and Company, which silk, at the time of said requisitioning, was not property of said Hara and Company but was owned by The Yokohama Specie Bank, Ltd., New York Agency, in liquidation by the Superintendent of Banks of the State of New York;

5. That the claim for fair and just compensation arising out of the requisitioning referred to in subparagraph 4 hereof was property within the United States of said The Yokohama Specie Bank, Ltd., New York Agency, in liquidation by the Superintendent of Banks of the State of New York;

6. That the claim referred to in subparagraph 5 hereof was vested by Vesting Order 915 which vested excess proceeds of the business and property in the State of New York of The Yokohama Specie Bank, Ltd., including the excess proceeds of all assets of The Yokohama Specie Bank, Ltd., New York Agency, in liquidation as aforesaid;

7. That, pursuant to a turn over directive dated January 6, 1947, the Superintendent of Banks of the State of New York, as liquidator as aforesaid, turned over to the Attorney General of the United States the aforesaid claim of The Yokohama Specie Bank, Ltd., New York Agency;

and it is hereby determined:

8. That the branch office of Hara and Company in New York, New York, is owned and controlled by Hara and Company, Yokohama, Japan, and is a national of a designated enemy country (Japan);

9. That to the extent that Hara and Company, Yokohama, Japan, and its branch office in New York, New York, are not within a designated enemy country, the national interest of the United States requires that they be treated as nationals of a designated enemy country (Japan).

All determinations and action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested all property of any nature whatsoever situated in the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to Hara and Company and its branch office in New York, New York, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States, and

The direction, management, supervision and control of the branch office of Hara and Company in New York, New York, is hereby undertaken, to the extent deemed necessary or advisable from time to time. This order shall not be deemed to limit the power to vary the extent of or terminate such direction, management, supervision or control.

The terms "national", "designated enemy country" and "business enterprise within the United States" as used herein

and in said Vesting Order 53, as amended, shall have and had the meanings prescribed in Executive Order 9095, as amended by Executive Order 9193.

Executed at Washington, D. C., on May 24, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,  
Assistant Attorney General,  
Director, Office of Alien Property.

[F. R. Doc. 51-6414; Filed, June 1, 1951;  
8:50 a. m.]

[Vesting Order 17881]

#### SKANDINAVISKA BANKEN AKTIEBOLAG

In re: Accounts maintained in the name of Skandinaviska Banken Aktiebolag or Skandinaviska Banken A. B., Malmö, Sweden, and owned by persons whose names are unknown. F-62-478 (Malmö).

Under the authority of the Trading With the Enemy Act, as amended, Executive Orders 9193, as amended, 9788 and 9989, and pursuant to law, after investigation, it is hereby found:

1. That the property described as follows: All property, rights and interests in the accounts identified in Exhibit A set forth below and by reference made a part hereof, together with

(a) Any other property, rights and interests which represent accumulations or accruals to, changes in form of, or substitutions for, any of the property, rights and interests in said identified accounts on October 2, 1950, and which are now held in other accounts being maintained as blocked or otherwise subject to the restrictions of Executive Order 8389, as amended, or regulations, rulings, orders or instructions issued thereunder, and

(b) Any and all rights in, to and under any securities (including, without limitation, bonds, coupons, mortgage participation certificates, shares of stock, scrip and warrants) and any and all declared and unpaid dividends on any shares of stock in any of said accounts,

excepting from the foregoing, however, all lawful liens and setoffs of the respective institutions in the United States with whom the aforesaid accounts are maintained,

is property within the United States;

2. That the property described in subparagraph 1 hereof is owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or is evidence of ownership or control by persons, names unknown, who, if individuals, there is reasonable cause to believe are residents of a designated enemy country and which, if partnerships, associations, corporations, or other organizations, there is reasonable cause to believe are organized under the laws of a designated enemy country or on or since the effective date of Executive Order 8389, as amended, have had their principal places of business in a designated enemy country;

3. That the persons referred to in subparagraph 2 hereof are nationals of a designated enemy country;

and it is hereby determined:

4. That to the extent that the persons referred to in subparagraph 2 hereof are not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country.

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended, and the term "designated enemy country" has reference to Germany or Japan.

Executed at Washington, D. C., on May 18, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,  
Assistant Attorney General,  
Director, Office of Alien Property.

#### EXHIBIT A

[Accounts maintained in the name of Skandinaviska Banken Aktiebolag or Skandinaviska Banken A. B., Malmö, Sweden]

Column I	Column II
Name and address of institution which maintains account	Designation of Account
The Chase National Bank of the City of New York, 18 Pine St., New York, N. Y.	Skandinaviska Banken Aktiebolag special a/c U general ruling No. 6a/c Malmö, Sweden, as described by The Chase National Bank of the City of New York in its report on Form OAP-700 bearing its Serial No. 185.

[F. R. Doc. 51-6469; Filed, June 4, 1951;  
8:49 a. m.]

[Vesting Order 17842]

#### MATHILDE BECKER

In re: Estate of Mathilde Becker, deceased. File No. D-28-12993; E. T. sec. 17122.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Bertha Arnoth and Hans Becker, whose last known address is Germany, are residents of Germany and nationals of a designated enemy country (Germany);

2. That the sum of \$1831.17 received by the County Treasurer of Peoria County, Illinois, for the credit of Bertha Arnoth and Hans Becker, pursuant to order of the Probate Court of Peoria County, filed September 12, 1949, in the matter of the Estate of Mathilde Becker, deceased, including increments thereon

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and subject to the lawful fees and disbursements of the County Treasurer of Peoria County, Illinois, is property payable or deliverable to, or claimed by, the aforesaid nationals of a designated enemy country (Germany);

3. That such property is in the process of administration by the County Treasurer of Peoria County, Illinois, as depositary, acting under the judicial supervision of the Probate Court of Peoria County, Illinois;

and it is hereby determined:

4. That to the extent that the persons named in subparagraph 1 hereof are not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in Section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on May 14, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,  
Assistant Attorney General,  
Director, Office of Alien Property.

[F. R. Doc. 51-6468; Filed, June 4, 1951;  
8:49 a. m.]

[Vesting Order 17882]

BANQUE INTERNATIONALE A LUXEMBOURG,  
S. A.

In re: Accounts maintained in the name of Banque Internationale a Luxembourg, S. A., or Banque Internationale Luxembourg, Luxembourg, Luxembourg, and owned by persons whose names are unknown. F-44-4.

Under the authority of the Trading With the Enemy Act, as amended, Executive Orders 9193, as amended, 9788 and 9989, and pursuant to law, after investigation, it is hereby found:

1. That the property described as follows: All property, rights and interests in the accounts identified in Exhibit A set forth below and by reference made a part hereof, together with

(a) Any other property, rights and interests which represent accumulations or accruals to, changes in form of, or substitutions for, any of the property, rights and interests in said identified accounts on October 2, 1950, and which are now held in other accounts being maintained as blocked or otherwise subject to the restrictions of Executive Order 8389, as amended, or regulations, rulings, orders or instructions issued thereunder, and

(b) Any and all rights in, to and under any securities (including, without limitation, bonds, coupons, mortgage participation certificates, shares of stock, scrip and warrants) and any and all declared and unpaid dividends on any shares of stock in any of said accounts,

excepting from the foregoing, however, all lawful liens and setoffs of the respective institutions in the United States with whom the aforesaid accounts are maintained,

is property within the United States;

2. That the property described in subparagraph 1 hereof is owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or is evidence of ownership or control by persons, names unknown, who, if individuals, there is reasonable cause to believe are residents of a designated enemy country and which, if partnerships, associations, corporations, or other organizations, there is reasonable cause to believe are organized under the laws of a designated enemy country or on or since the effective date of Executive Order 8389, as amended, have had their principal places of business in a designated enemy country;

3. That the persons referred to in subparagraph 2 hereof are nationals of a designated enemy country;

and it is hereby determined:

4. That to the extent that the persons referred to in subparagraph 2 hereof are not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country.

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended, and the term "designated enemy country" has reference to Germany or Japan.

Executed at Washington, D. C., on May 18, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,  
Assistant Attorney General,  
Director, Office of Alien Property.

## EXHIBIT A

Accounts maintained in the name of Banque Internationale a Luxembourg, S. A., or Banque Internationale Luxembourg, Luxembourg, Luxembourg

Column I	Column II
Name and address of institution which maintains account	Designation of account
1. The Chase National Bank of the City of New York, 18 Pine St., New York, N. Y.	Miscellaneous portfolio of securities, Banque Internationale a Luxembourg S. A., Luxembourg, Luxembourg (FS88063), as described by The Chase National Bank of the City of New York in its report on Form OAP-700, bearing its Serial No. 35.
2. Brown Bros. Harriman & Co., 59 Wall St., New York, N. Y.	Banque Internationale a Luxembourg S. A., Luxembourg, ordinary account, blocked account, as described by Brown Bros. Harriman & Co., in its report on Form OAP-700, bearing its Serial No. 14.
3. The National City Bank of New York, 55 Wall St., New York 5, N. Y.	Current account, as described by The National City Bank of New York in its report on Form OAP-700, bearing its Serial No. 0043.
4. Bank of the Manhattan Co., 40 Wall St., New York, N. Y.	(a) Bank deposit, current a/c, and (b) bank deposit, New a/c; as described by the Bank of Manhattan Co. in its report on Form OAP-700, bearing its Serial No. 006.
5. Swiss Bank Corp., 15 Nassau St., New York, N. Y.	Bank deposit, as described by Swiss Bank Corp. in its report on Form OAP-700, bearing its Serial No. 0061.

[F. R. Doc. 51-6470; Filed, June 4, 1951; 8:49 a. m.]

[Vesting Order 17883]

BANQUE INTERNATIONALE A LUXEMBOURG  
S. A.

In re: Accounts maintained in the name of Banque Internationale a Luxembourg S. A., Luxembourg, Luxembourg, and owned by persons whose names are unknown. F-44-4.

Under the authority of the Trading With the Enemy Act, as amended, Executive Orders 9193, as amended, 9788 and 9989, and pursuant to law, after investigation, it is hereby found:

1. That the property described as follows: All property, rights and interests in the accounts identified in Exhibit A set forth below and by reference made a part hereof, together with

(a) Any other property, rights and interests which represent accumulations or accruals to, changes in form of, or

substitutions for, any of the property, rights and interests in said identified accounts on October 2, 1950, and which are now held in other accounts being maintained as blocked or otherwise subject to the restrictions of Executive Order 8389, as amended, or regulations, rulings, orders or instructions issued thereunder, and

(b) Any and all rights in, to and under any securities (including, without limitation, bonds, coupons, mortgage participation certificates, shares of stock, scrip and warrants) and any and all declared and unpaid dividends on any shares of stock, in any of said accounts, excepting from the foregoing, however, all property, rights and interests which are expressly excluded in Exhibit A, and all lawful liens and setoffs of the respective institutions in the United States

with whom the aforesaid accounts are maintained,

is property within the United States;

2. That the property described in subparagraph 1 hereof is owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or is evidence of ownership or control by persons, names unknown, who, if individuals, there is reasonable cause to believe are residents of a designated enemy country and which, if partnerships, associations, corporations, or other organizations, there is reasonable cause to believe are organized under the laws of a designated enemy country or on or since the effective date of Executive Order 8389, as amended, have had their principal places of business in a designated enemy country;

3. That the persons referred to in subparagraph 2 hereof are nationals of a designated enemy country;

and it is hereby determined:

4. That to the extent that the persons referred to in subparagraph 2 hereof are not within a designated enemy country, the national interest of the United States

requires that such persons be treated as nationals of a designated enemy country.

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended, and the term "designated enemy country" has reference to Germany or Japan.

Executed at Washington, D. C., on May 18, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,  
Assistant Attorney General,  
Director, Office of Alien Property.

wise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on May 24, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,  
Assistant Attorney General,  
Director, Office of Alien Property.

[F. R. Doc. 51-6472; Filed, June 4, 1951;  
8:50 a. m.]

[Vesting Order 15946, Amdt.]

HERMANN G. KULENKAMPFF ET AL.

In re: Rights of Hermann G. Kulenkampff et al. under insurance contract. File F-28-23208-H-1.

Vesting Order 15946 dated November 27, 1950 is hereby amended to read as follows:

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That August Gustav Diedrich Kulenkampff and Marie Emmi Madeleine Renate Kulenkampff, whose last known address is Germany, are residents of Germany and nationals of a designated enemy country (Germany);

2. That the domiciliary personal representatives, heirs, next of kin, legatees and distributees, names unknown of Hermann G. Kulenkampff, deceased, who there is reasonable cause to believe are residents of Germany, are nationals of a designated enemy country (Germany);

3. That the net proceeds due or to become due under a contract of insurance evidenced by Policy No. 287072, issued by The Guardian Life Insurance Company of America, New York, New York, to Hermann G. Kulenkampff, and any and all other benefits and rights of any kind or character whatsoever under or arising out of said contract of insurance except those of the aforesaid The Guardian Life Insurance Company of America, together with the right to demand, enforce, receive and collect the same in property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid nationals of a designated enemy country (Germany);

and it is hereby determined:

4. That to the extent that the persons named in subparagraph 1 hereof and the

claimed by the aforesaid nationals of a designated enemy country (Germany);

4. That such property is in the process of administration by George J. Beyer, Trustee, acting under the judicial supervision of the Probate Court of Milwaukee County, State of Wisconsin,

and it is hereby determined:

5. That to the extent that the person named in subparagraph 1 hereof and the domiciliary personal representatives, heirs, next of kin, legatees and distributees, names unknown, of Anna Rechel, are not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or other-

Column I	Column II	Column III
Name and address of institution which maintains account	Designation of account	Property, rights, and interests in the account as of Oct. 2, 1950, excluded from this vesting order <sup>1</sup>
The Chase National Bank of the City of New York, 18 Pine St., New York, N. Y.	Banque Internationale a Luxembourg S. A., old a/c, Luxembourg, Luxembourg, as described by The Chase National Bank of the City of New York in its report on Form OAP-700, bearing its Serial No. 34.	Proceeds of redemption of three hundred and thirteen (313) shares of 5½ percent cumulative, convertible, preferred stock of Shell Union Oil Corp. evidenced by certificates numbered 9856/3 for one hundred (100) shares each and certificate number 025834 for thirteen (13) shares.

<sup>1</sup> Also excluded from this Vesting Order are (a) any accumulations or accruals to, changes in form of, or substitutions for, any such property, rights and interests, since October 2, 1950 and (b) any and all rights in, to and under any securities (including, without limitation, bonds, coupons, mortgage participation certificates, shares of stock, scrip and warrants), and any and all declared and unpaid dividends on any shares of stock, listed in Column III or excluded under (a) of this footnote.

[F. R. Doc. 51-6471; Filed, June 4, 1951; 8:50 a. m.]

[Vesting Order 17191]

GEORGE J. DAUER

In re: Trust under will of George J. Dauer, deceased. File No. D 28-13000; E. T. sec. 17128.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Anna Rechel, whose last known address is Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the domiciliary personal representatives, heirs, next of kin, legatees and distributees, names unknown, of Anna Rechel, who there is reasonable cause to believe are residents of Germany, are nationals of a designated enemy country (Germany);

3. That all right, title, interest and claim of any kind or character whatsoever of the persons identified in subparagraphs 1 and 2 hereof, and each of them, in and to the trust created under the will of George J. Dauer, deceased, is property payable or deliverable to, or

and it is hereby determined:

4. That to the extent that the persons named in subparagraph 1 hereof and the domiciliary personal representatives, heirs, next of kin, legatees and distributees, names unknown, of Hermann G. Kulenkampff, deceased, are not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate con-

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sultation and certification, having been made and taken, and, it being deemed necessary in the national interest.

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on May 18, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,  
Assistant Attorney General,  
Director, Office of Alien Property.

[F. R. Doc. 51-6473; Filed, June 4, 1951;  
8:50 a. m.]

[Vesting Order 17581, Amdt.]

ALLEGEMEINE ELEKTRICITAETS-  
GESELLSCHAFT ET AL.

In re: Interests and rights created in Allegemeine Elektricitaets-Gesellschaft, Deutsche Grammophon A. G., and Polyphonwerke A. G., by virtue of various agreements relating, among other things, to United States Letters Patent No. 2,285,969.

Vesting Order 17581, dated March 30, 1951, is hereby amended to read as follows and not otherwise:

By deleting from subparagraph (d) of paragraph 3, appearing therein under (c), the following: "January 18, 20, and 22, 1935," and substituting therefor "January 19 and February 18, 20, and 22, 1935."

All other provisions of said Vesting Order 17581 and all action taken by or on behalf of the Attorney General of the United States in reliance thereon, pursuant thereto and under the authority thereof are hereby ratified and confirmed.

Executed at Washington, D. C., on April 18, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,  
Assistant Attorney General,  
Director, Office of Alien Property.

[F. R. Doc. 51-6474; Filed, June 4, 1951;  
8:50 a. m.]

[Vesting Order 17606, Amdt.]

UNION BANK OF SWITZERLAND

In re: Accounts maintained in the name of Union Bank of Switzerland or Union de Banques Suisse, Zurich,

Switzerland and owned by persons whose names are unknown. F-63-193 (Zurich).

Vesting Order 17606, dated March 30, 1951, is hereby amended as follows and not otherwise:

By deleting from column II of Exhibit A of the aforesaid Vesting Order 17606 the words and figures appearing opposite item 4 in column I thereof and substituting therefor the following:

Bonds—held in account BS 3083, Union Bank of Switzerland, Zurich, Switzerland, subaccount Saco, general ruling No. 17, as described by the Central Hanover Bank & Trust Co. in its report on Form OAP-700, bearing its Serial No. 104.

All other provisions of said Vesting Order 17606 and all action taken by or on behalf of the Attorney General of the United States in reliance thereon, pursuant thereto and under the authority thereof are hereby ratified and confirmed.

Executed at Washington, D. C., on May 29, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,  
Assistant Attorney General,  
Director, Office of Alien Property.

[F. R. Doc. 51-6475; Filed June 4, 1951;  
8:50 a. m.]

[Return Order 974]

THEA STERNHEIM

Having considered the claim set forth below and having issued a determination allowing the claim, which is incorporated by reference herein and filed herewith,

*It is ordered*, That the claimed property, described below and in the determination, be returned, subject to any increase or decrease resulting from the administration thereof prior to return, and after adequate provision for taxes and conservatory expenses:

*Claimant, Claim No., Notice of Intention To  
Return Published, and Property*

Thea Sternheim, Paris, France; Claim No. 38066; April 12, 1951 (16 F. R. 3246); an oil painting by Gauguin, entitled "Three Dogs, Three Wineglasses, Three Apples", presently in the custody of the Manhattan Storage & Warehouse Co., 80th Street and 3d Avenue, New York, N. Y.

Appropriate documents and papers effectuating this order will issue.

Executed at Washington, D. C., on May 29, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,  
Assistant Attorney General,  
Director, Office of Alien Property.

[F. R. Doc. 51-6476; Filed, June 4, 1951;  
8:50 a. m.]

AYAKO SAITO

NOTICE OF INTENTION TO RETURN VESTED PROPERTY

Pursuant to section 32 (f) of the Trading With the Enemy Act, as amended, notice is hereby given of intention to return, on or after 30 days from the date of the publication hereof, the following property, subject to any increase or decrease resulting from the administration thereof prior to return, and after adequate provision for taxes and conservatory expenses:

*Claimant, Claim No., Property, and Location*

Ayako Saito, Honolulu, T. H.; Claim No. 7156; \$232.40 in the Treasury of the United States; 83 shares \$100 par value stock of the Yamashiro Hotel Co., Ltd., presently in custody of the Office of Alien Property, Honolulu, T. H.

Executed at Washington, D. C., on May 29, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,  
Assistant Attorney General,  
Director, Office of Alien Property.

[F. R. Doc. 51-6477; Filed, June 4, 1951;  
8:50 a. m.]

J. MANFRED REIFFENSTEIN

NOTICE OF INTENTION TO RETURN VESTED PROPERTY

Pursuant to section 32 (f) of the Trading With the Enemy Act, as amended, notice is hereby given of intention to return, on or after 30 days from the date of publication hereof, the following property located in Washington, D. C., including all royalties accrued thereunder and all damages and profits recoverable for past infringement thereof, after adequate provision for taxes and conservatory expenses:

*Claimant, Claim No., and Property*

J. Manfred Reiffenstein, Vienna, Austria; Claim No. 42804; property described in Vesting Order No. 201 (8 F. R. 625, January 16, 1943), relating to United States Letters Patent Nos. 1,722,158; 1,955,683; 2,041,570; 2,026,436 and 2,123,120.

Executed at Washington, D. C., on May 29, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,  
Assistant Attorney General,  
Director, Office of Alien Property.

[F. R. Doc. 51-6478; Filed, June 4, 1951;  
8:50 a. m.]